



★ industrial ★ security *Asis* *ARCHIVE*

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JANUARY 1958

OFFICIAL PUBLICATION
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american society
for
industrial security





UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

*In Reply, Please Refer to
File No.*

WASHINGTON 25, D. C.

December 16, 1957

To Members of the American Society for Industrial Security:

In the rapidly changing world in which we live, our individual and collective security efforts are essential. A great portion of our national security lies in your hands.

During the first great world conflict involving America, acts of sabotage, such as the Black Tom explosion, and the treacherous espionage activities directed successfully against the United States, testified to the lack of industrial security measures. Benefiting from the mistakes of the past, however, America was better prepared during World War II.

In 1939, the FBI was given the responsibility for protecting the internal security of this country in all matters relating to espionage, sabotage and subversive activities. At the request of the Armed Forces prior to the outbreak of hostilities, the FBI assumed the responsibility for promoting tighter security measures in key industries. Thorough plant surveys were conducted with the result that business leaders, alerted to the dangers, instituted greatly improved plant protection programs. The effectiveness of these programs was proven by the fact that during the last war no cases of enemy-directed sabotage came to the attention of the FBI.

Those responsible for plant security cannot afford to rest on these laurels. The strides made in industrial security during the past two decades have indeed been great; however, it is imperative that your standards remain high. All of us must constantly improve our security programs for eternal vigilance is the only answer to the dangers we face.

The FBI shares the great security responsibility faced by the members of the American Society for Industrial Security, and we trust that each member will not hesitate to let us know of all matters of mutual interest so that necessary investigations can be instituted without delay.

J. Edgar Hoover
John Edgar Hoover
Director



★ industrial ★ security

Vol. 2, No. 1

JANUARY 1958

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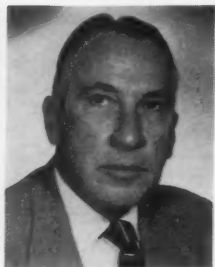
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A. T. DEERE Addresses Society Banquet

Mr. Toastmaster, Ladies and Gentlemen:

This marks one of the most significant events in my life, and I am profoundly grateful to you for having elected me to serve you as president for the year 1957-58. I pledge to you my utmost effort to assure the forward progress and the continuing growth of ASIS. I thank you, personally, and in behalf of my fellow officers and directors, for your expression of confidence in us, individually and collectively.

In the discharge of my obligation as president, I must depend in a great measure upon teamwork. Teamwork is not the sum product of the effort of any one man, as you well know. Rather, it grows out of the willingness on the part of many people to work in concert, to serve, to assist. This is the ingredient essential to the success of any collective undertaking. Teamwork is the *one* thing that the president cannot give the Society personally, even though he works diligently every hour of every day. It is the result of inspiration, of interest, of devotion.

In this respect, any leadership is always at the mercy of its constituents. If you go away from this convention with the idea that your individual services are not needed or that your contribution, however small it may be to the over-all task, is unnecessary, the progress of ASIS will suffer to that extent.

It is to be hoped, therefore, that you each recognize your own individual responsibility to serve this Society as best you can. And, you can best serve it by giving to it a portion of your time and effort, no matter where you live and no matter what your position.

You may have heard of the comment during this seminar that ASIS has "hit its stride" in this three-day meeting. And, so it may have! But at what cost and effort on the part of how many people? None of us really knows. It is obvious, you will agree, that a great number of individuals have been working long months to have made this convention the success it has been. Devotion and a sense of duty on the part of many people have resulted in our doubling the membership and chapters in a year's time; in our having produced a truly mature magazine; in our having attracted recognition and good will of men in Government and industry of the caliber of Messrs. Faneuf and Wright, of General Carroll and of John Edgar Hoover. We have contributed to the growth of the industrial security pro-

fession in many ways, but I urgently bring to your attention that, despite all the things that *have been* done, we have only begun to achieve a portion of the great number of things that *can be* done.

If we are to continue to grow in an orderly and healthy fashion, certain things will require special and specific attention in the year ahead. All are not necessarily new ideas or areas of work; in fact, many of them are already quite familiar. Each of them in its present stage is, however, either stunted, awkward, or not necessarily as efficient as it should be.

First of all, some real work must be done in the nature of research, both by the national committees and the chapter committees, so as to resolve security problems in an orderly and academic manner. Serious attention must be given to the creation and stimulation of chapters on the local level. I have noted that where ASIS has spawned a chapter, it has in that same area grown spectacularly in membership, interest, and achievement. I think it is highly important that we find a way to employ a full-time executive director. We must continue to husband and nurture the growth of the Society's magazine. We must strengthen our position as the govern-

ment liaison for the entire industrial security profession. Above all, we must assure that national ASIS serves its chapters and that they in turn serve the national organization for the general welfare of the membership. I feel confident that all of us working together can again double our membership and again double the number of local chapters during the coming year.

All of these things will require teamwork. The burden of my remarks, if I am to serve you competently, is that I will require your active support. I call upon you to shoulder a portion of the load. I hope you will meet my personal challenge as well as you have that of my predecessors.

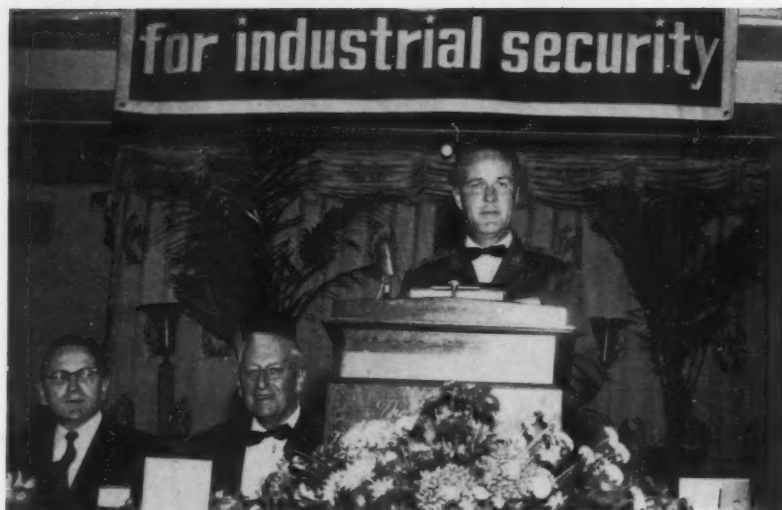
With a feeling of humility, I sincerely invite and solicit your views, your suggestions, your criticism, to be sure, your patience and understanding, and above all your individual and collective effort.

In the Old Testament, there is an injunction, "Where there is no vision, the people perish." We have charted a road to travel. We have begun the journey. Let us therefore neither falter nor fail for lack of vision. This is our constant challenge. This is the problem that we face today. Let each of us in ASIS therefore strive always to be a part of the answer and not a part of the problem.



ALBERT T. DEERE
Society President 1957-1958

Major General Joseph F. Carroll, USAF, presides at the Banquet (standing) while Russ White, Chairman of the Board (L) and Loyd Wright, Banquet speaker, (center) look on.



"Pleased over the turnout" are A. R. Miller (L); and William Todd (C) Directors of ASIS; C. W. Bracy (R) General Convention Chairman.



CONVENTION

By C. W. BRACY

As a sequel to my previous article in Industrial Security regarding the Third Annual Seminar, in which I said "You can't afford to miss it," I now say "You should have been there!" This is, of course, assuming you were one of those who could not make it. The four hundred or so members, wives, and guests who did attend thoroughly enjoyed the activities—judging from all the favorable comments received.

We were all very pleased with



Eric Barr, Secretary, ASIS, enjoys conversing with a few wives of registrants present at the "mixer" party held on the first night of the Convention.



"Security—The Objective View" as presented by John Buckley, Varian Associates (standing) assisted by Thomas O'Neill, Stanford Research Institute; and Robert Love, Eitel-McCullough, Inc.

HIGHLIGHTS

GENERAL CONVENTION CHAIRMAN

the attendance of members of the press, and the subsequent publicity carried by the wire services and the local newspapers. Washington is a difficult place in which to generate news. Conventions are supposedly "old hat" to native Washingtonians. The statistics show we rated over nine column feet of news print. Considering the fact that "sputnik" was then the current topic of conversation, this is

(Continued on page 41)



Fire Protection Workshop in action (left to right) Francis Brannigan, AEC Safety & Fire Protection Branch; Horatio Bond, NFPA Chief Engineer; Phil Wolz, Chairman, Fire Protection Committee; and John Bryan, Fire Protection Professor, University of Maryland.

CONVENTION



INDUSTRIAL SECURITY — A MANAGEMENT RESPONSIBILITY

Leston Faneuf

President

Bell Aircraft Corporation

I think that we can all be grateful that industrial security in this country at long last has come of age.

It has emerged from its original drab status as a subordinate Industrial Relations activity into a major administrative function within our defense industry and within those areas which directly or indirectly support our defense efforts.

The mere fact that we have an American Society for Industrial Security, that your society has this month published the second volume of its official magazine, and that we are here attending the third annual seminar of the Industrial Security Society, all lend strong support to my thesis that—

the defense industry is a permanent integral

(Continued on page 22)

NAVAL AIRPOWER AND SECURITY

Rear Admiral W. A. Schoech, USN

Deputy and Assistant Chief

Bureau of Aeronautics



It is a real pleasure to participate in this Third Annual Seminar of the American Society for Industrial Security. I have long appreciated the work your organization is doing . . . work for which we in the Bureau of Aeronautics have more than a little interest and concern.

I wish to quote parts of a letter written to CNO by a Chief of the Bureau of Aeronautics:

"This Bureau believes that Contractors in general would not knowingly allow information of a classified nature to reach the hands of foreign representatives . . . The Bureau appreciates the fact that in the present condition of the industry, not all aircraft and aircraft engine manufacturers can place sole dependence upon Government contracts, but also must deal with com-

(Continued on page 28)

S P E E C H E S



MANPOWER AND SECURITY

Stephen S. Jackson

Deputy Assistant Secretary of Defense

(Manpower, Personnel and Reserve)

Department of Defense

I am happy to join with you on this occasion and appreciate very much your having invited me. I extend to you my cordial good wishes for a most successful and productive convention.

Mr. Francis, the Assistant Secretary of Defense (Manpower, Personnel and Reserve), for whom I serve as deputy, has asked me to extend his greetings and personal best wishes to the members of the

American Society For Industrial Security along with his appreciation for the fine cooperation we receive from your membership.

The theme of my talk today is Manpower And Security. At no time in our history, short of war itself, has the defense of our country been the direct concern of as many Americans as it is today. We

(Continued on page 31)

SECURING AMERICA'S PRODUCTIVE STRENGTH

Loyd Wright

Chairman

Commission on Government Security



I am deeply grateful for the honor of your invitation, and for the privilege of joining in your meeting. Like every citizen who is concerned with the vital questions of security, I have watched with interest the growth of this organization. In a few short years your society has assumed a leading role in the nation's defense. With the benefit of combined thinking and cooperative effort, security officers

in all branches of industry have been able to do a more effective job in protecting this country's productive strength. For your vigorous and devoted work, you have earned the commendation and the gratitude of the nation as a whole.

The notion is current in some circles today that security is the concern of Government alone. Many

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Industrial Security and the Scientist

By Richard J. Healy
Corporate Security Manager—The Ramo-Wooldridge
Corporation, Los Angeles, California



Security programs have existed as long as history has been recorded. The objective remains the same today as it did in biblical times—the protection of a nation's interests. Although the objectives may remain the same, security requirements have been constantly altered to meet changing times. For example, security in industry has changed in recent years from an activity emphasizing plant protection designed to safeguard manufacturing processes and products utilized in World War II to an activity requiring the protection of research information.

This change has resulted from the emergence of scientific research since World War II as an essential force in the development of more complicated weapons. As a result, the scientist is now commonly recognized as essential to the defense effort and is currently required to participate in the security program of the nation so that the vitally important sensitive infor-

mation he works with is adequately protected. With this change in the defense effort, the necessity for developing and administering a security program to meet the needs of scientists has become increasingly important.

This problem has been complicated by the fact that scientists in recent years have been extremely critical of security as practiced in the government and industry. Because these criticisms have often appeared in the public press, and because some scientists have stated they believe there should be no restriction on the free exchange of scientific information, many security administrators, both in the government and in industry, have concluded that any security program is incompatible with the scientific viewpoint.

At The Ramo-Wooldridge Corporation, because nearly all of the work involves classified research projects, it was recognized that an enlightened security program was needed which would be accepted by the scientist. It was felt that such a program should have as its prime objective the protection of the country's vital secrets, but at the same time be palatable to the scientist and coincide with the basic company philosophy that working conditions should be designed to allow scientific personnel as much freedom of thought and movement as possible.

Before planning a security program to meet these requirements, a sampling of the comments made by scientists was taken. It was found that free exchange of information was not a basic problem, but that the scientist, like every loyal American, is interested in protecting the nation's defense information. It was also found that criticism of security voiced by scientists over the years had not been caused by a basic opposition to security, but rather had been caused by experiences with poorly administered security programs, unrealistic security requirements, arbitrary decisions made by some security administrators, and experiences with plant protection programs designed mainly to protect manufactured products. Comments indicated that some scientists commonly reflected an uncooperative and critical attitude toward security in general, principally because the security programs they had previously associated with were based on

(Continued on next page)

ABOUT THE AUTHOR

Richard J. Healy, since 1955 Corporate Security Manager at The Ramo-Wooldridge Corporation, Los Angeles, has developed an industrial security program to meet the needs of our changing times.

Born and raised in Iowa, Mr. Healy received his BA from the University of Iowa and later spent two years at the University of Maryland law school. He was released from the U. S. Army as a Major in 1946 and joined the FBI, being assigned to offices at Dallas, Cincinnati, and Dayton. He resigned from the FBI in 1951 to join the Air Research and Development Command, when it was being formed, as assistant to the Inspector General. From ARDC he went to Ramo-Wooldridge.

A charter member of the Southern California Chapter of the American Society for Industrial Security, Mr. Healy has served as the group's treasurer. At the recent ASIS convention in Washington, he was elected Vice-President for the Western Region and is now busy forming new ASIS chapters in the West. He is also active in the Los Angeles chapter of the Society of Former Special Agents of the FBI.

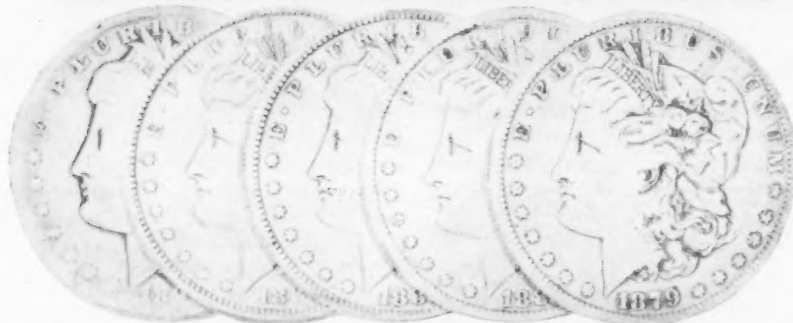
Mr. Healy and his wife Lee, an attorney, live in Los Angeles with their two daughters, Patricia, eleven, and Kathleen, nine.



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tight physical controls designed to protect property and classified manufactured items, but did not effectively protect the more sensitive classified research information. As a result, many scientists concluded that security programs of this type hampered them unduly and unreasonably in their work, without giving proper emphasis to the protection of the sensitive research information they had in their possession.

Because scientists were obviously not accepting security programs stressing plant protection, it was thought that a new approach should be developed and that the basic ingredient should be the cooperation and assistance of the scientist in effectively administering the program. Although plant protection has a place in every security program, it was decided that this phase of security should be de-emphasized.

Government requirements, of course, had to be considered and followed in planning any program adopted. It was believed that enough latitude was allowed in the guide lines set up by the various government agencies so that a program could be designed solely for the protection of research information to meet the needs of the scientist and yet fulfill government requirements.

Top management representatives of the company recognized the need for a realistic security program and also thought the security performance of the organization would be evaluated by government agencies in the same way the competence of the research work performed would be appraised.

It was decided that the responsibility for safeguarding classified information could not be discharged by management alone, but that this responsibility should be redelegated and accepted by each employee of the company and that each employee should be required to accept a definite security responsibility as a part of his work.

Supervisors were considered important in implementing such a plan and it was decided that security personnel would not directly enforce security requirements, but that each supervisor would discharge this responsibility. It was reasoned that instead of having a small group of security personnel attempting to obtain good security, if the individual concept were accepted, every employee in the company would constantly be assisting in obtaining the security required by the company and the Government.

As a result, it was planned that the security unit was not to be regarded as a police or plant protection organization, but would be a service organization designed to assist employees and supervisors in discharging the required responsibility. The objectives of the program were defined and the entire philosophy of the program embodied in a short slogan that could be easily understood and remembered. The main objective was to establish and maintain the best security system in the nation. The slogan adopted was "Security is Your Responsibility." It was decided that this

slogan best described in a terse, concise manner the philosophy of security in the company and that it should become the basis for the entire program.

The philosophy of security at Ramo-Wooldridge has since been published as a company policy and embodies the following five points:

1. Each policy or procedure written and each action taken must reflect the company philosophy that security is an individual responsibility and, therefore, must be based on the company security slogan, "Security is Your Responsibility."
2. Each employee must clearly understand the company need for security as well as the company security requirements and regulations so that he can intelligently assume the required individual responsibility.
3. All security units must operate as service organizations to assist supervisors and employees.
4. All security procedures established must be practical, simple, easy to follow, and within the established limits of applicable Government security regulations.
5. Security policies and procedures must be designed to impress on each employee that the philosophy of security in the company does not imply that security requirements are being relaxed.

To successfully implement this plan, a sound, continuing educational program seemed absolutely essential. Such an educational plan, of necessity, had to be designed, first, to convince employees that the individual responsibility concept was essential and, second, to indoctrinate them in security rules and requirements so that they would have the tools to assume the required responsibility. The educational program also had to appeal primarily to the intelligent and analytical-thinking scientist. Designing such a program was difficult, because many of the scientist employees had been highly skilled educators in well recognized colleges and universities and could be expected to react unfavorably to a poor or weak educational approach. In addition, any educational material presented would have to be interesting and attention-getting in order to compete with the scientist's basic interest—his technical research work.

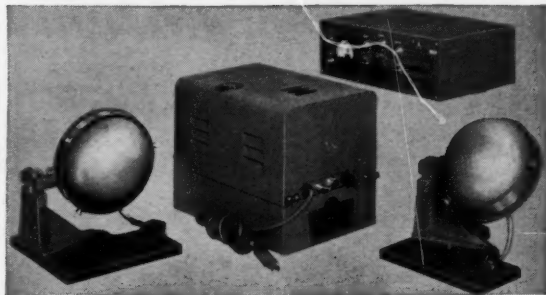
After our foundation was laid, a planned campaign was then mapped to announce this concept to all employees. The campaign included not only security lectures, but other aids to promote the program. The security campaign was then announced in a two-page spread in the company newspaper which was built around a news story announcing that "Security is Your Responsibility" had been adopted as a company slogan. The news story pointed out the need for a security program based on this philosophy and emphasized the need for the cooperation of all employees in implementing it. At the same time, striking, attractive posters were hung in the hallways of all buildings on special bulletin boards with the

(Continued on page 39)

BURGLARS BEWARE!



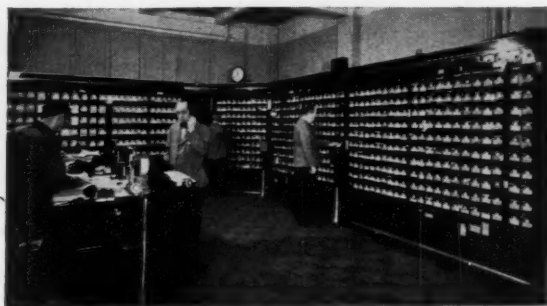
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Montreal — Toronto

Observations on the Report of the Commission on Government Security



GERARD P. KAVANAUGH
Counsel, Hercules Powder Company
Wilmington, Delaware

Born April 1, 1916, Rochester, New York. Married Ann Davis Boys, Wilmington, Delaware, January 3, 1942; father of six children, five boys and one girl, ages 9 months to 14 years.

Attended University of Toronto (A. B., 1938); Georgetown University School of Law (LL. B., 1941).

Admitted to the Supreme Court of the United States; Federal Courts, District of Columbia and Delaware; Supreme Court of Delaware.

Formerly with the Federal Bureau of Investigation (1938-1944); Hercules Powder Company (1944 to date), successively Attorney, Manager of Security, and Counsel.

Served with the United States Marine Corps, holds Reserve Commission; member of the American Bar Association; Delaware Bar Association; American Society for Industrial Security; Department of Defense Industry Advisory Committee.

ized. The report creates the distinct impression that the Commission labored the constitutionality of the Department of Defense Security Program. It advanced an extensive argument that the present DD 441 program "may be legal" because of implied authority under certain statutes enacted many years prior to its conception. No one has ever doubted that Congress has the constitutional authority to legislate in this field—that Congress should so legislate has been of prime concern.

There are areas in the broad industrial security picture that have been overlooked, the alien exclusion under Section 2279 of Title 10 USC for one. Absent also are

(Continued on page 16)

On June 21, 1957 the Commission on Government Security in obedience to an Act of Congress submitted to the President and to Congress its Report on Government Security. This report represents the first complete study of the innumerable laws, executive orders, regulations, programs, practices, and proceedings intended for the protection of the national security. It is a primer for those interested in security, whatever their interest might be. It is more than a mere compendium of the national effort directed towards protection of our national security. The report proposes a number of legislative enactments and administrative actions as, in the judgment of the Commission, are necessary to carry out its recommendations.

It is not necessary to read the report from cover to cover to understand or comment on the Commission's findings, conclusion, and recommendations in the field of industrial security. So much of the report as deals directly with this program and related material found elsewhere in the report should be read by all American Society for Industrial Security members.

My immediate reaction was, I am sure, not unlike that of many others. I found myself laboring under a distinct impression that what had been said was a makeshift effort to support a gigantic program which, by implication, could be supported by constitutional and political philosophies but not by any specific federal statute. Despite the conclusion of the report that Congress has the constitutional authority to legislate in

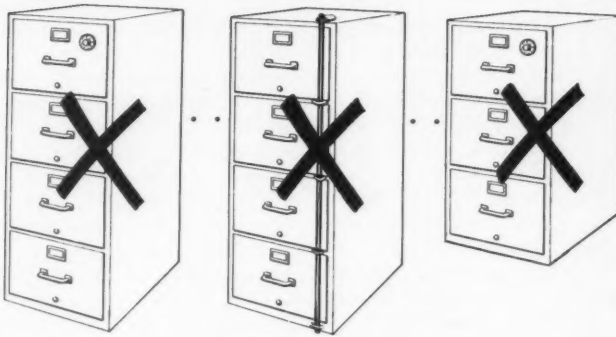
this field, the Commission was prepared to recommend only that the present program should be modified. It recommended that the Department of Defense Industrial Security Program should be continued as presently established and carried out under the department's contract agreements. At first blush this seemed to me a way of saying that the common defense and security of the country is to be secured not by the sanctions of law but by the unilateral action of the Department of Defense flowing from negotiated contracts. We were again to have an Industrial Security Program by an agency of the Government whose primary duty is the waging of offensive and defensive warfare. Potential contractors who have and will execute these contracts of adhesion will continue to do so as much from economic motives as from patriotic ones. It had been thought by some that under a Government of laws an effective security program as vast as that sponsored by the Department of Defense could not be achieved without sanctions—sanctions of law.

In the main body of the report, the Commission developed and identified an Industrial Security Program involving some 22,000 Department of Defense contractors affecting approximately 3,000,000 of their employees. It seemed that the Commission had bottomed the legal basis of this program on the tenuous assumption of implied legislative authority, all of which had been enacted prior to 1953 when the program, such as we know it today, had been formal-

"Top secret defense material shall be protected in storage by the most secure facilities possible"

(THE ABOVE IS EXECUTIVE ORDER NO. 10501)

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G. P. KAVANAUGH (Continued)

the Commission's views on Section 21 of the Internal Security Act of 1950. This is the section by which Congress, as early as 1950, vested in the Secretary of Defense broad authority to promulgate regulations or issue orders for the protection of security of the military and defense installations subject to the jurisdiction, administration, or in the custody of the Department of Defense. Nowhere was found consideration of the problems engendered by the Export Control Act of 1949, administered by the Department of Commerce; or the exportation of arms, ammunition, and implements of war and technical data relating thereto, administered by the Department of State.

Admittedly and on analysis, disappointment was experienced. It stemmed from what at first was thought to have been a complete disregard of the conclusions so resolutely and succinctly set forth by the Board of Directors of the American Society for Industrial Security in its letter of November 5, 1956 to the Commission, as follows:

"1. Industrial facilities, plants, stations, depots, etc., which are essential to the procurement of goods and services in the interest of National defense, should be categorized as industrial defense facilities.

2. Industrial defense facilities should be required to maintain definitive standards of personnel and plant protection. Prescribed standards should embrace both anti-sabotage and anti-espionage measures, as well as sound, practicable and economically feasible measures for withstanding or minimizing the destructive forces of nature or an enemy.

3. The responsibility for granting, reviewing, suspending, denying and revoking security clearances of personnel employed directly or indirectly in an industrial defense facility should be the function of a single agency and board.

a. An Industrial Defense Facility Personnel Clearance Agency and Board is needed to prescribe personnel clearance criteria, procedures, etc.

b. It should be an independent agency in the Executive Branch of the Government and should be free of procurement and classification responsibilities. It is suggested that if industry is to continue to clear personnel for access to classified information, then this obligation should be implemented with proper legal sanctions.

4. The responsibility for establishing, assigning and reviewing classification of information and material should be the function of a single Agency and Board.

a. An Industrial Defense Classification Agency and Board is needed to prescribe classification criteria and procedures.

b. It should be an independent agency in the Executive Branch of the Government free of procurement and personnel clearance responsibilities. It is suggested, although no conclusion is reached, that a two-level classification system be employed, e. g., "Defense Information" and one additional classification, possibly, "Top Secret," the assignment of which should be highly restricted. Classifications should be assigned for an initial period of one year. Thereafter, a reviewing authority should decide and approve an additional shorter period for continued classification of information."

As one who believes that the essential components of Government consist of these elements:

"Substantive limitations upon the scope of Government power in its application to the rights of individuals, which thus may not be invaded by action of the Government; procedural limitations upon governmental power which are applicable even within the limits of its substantive scope; and institutions through which these principles may be effectively invoked and vindicated."

I thought that the Commission had "missed the boat." It was not until I had read in the appendix to the report the Commission's proposed curative legislation that

¹Ernest Angell "Communism or Freedom: The Legal Profession and the Rule of Law," 45 ABA J. 925, Oct., 1957.

my "let-down" feeling left me. What satisfied me in particular was the specific recommendation in the proposed "Federal Security Act" that the National Security Act of 1947 be amended. It is Section 100 of the proposed act that assures me that the long sought hope that we would some day have an Industrial Security Program established and administered by legal sanctions might not be too far away. For me this section provides for the first time specific legislative sanctions for the Industrial Security Program. I was personally gratified to note that the Commission's proposed amendment to the National Security Act of 1947 will apply to all government contractors obligated to furnish goods or services to or on behalf of the Department of Defense if classified information or any security facility is involved. As defined by the Commission's proposed legislation, a security facility includes any industrial plant or facility designated by the President or any officer or employee of any executive agency under any law or executive order, in the interest of national security, as a facility to which access may be granted to those individuals who have received security clearance from the appropriate executive agency.

The weakness, if such it be in the Commission's recommended legislation, lies in its expressed language that the proposed single Industrial Security Program relating to all aspects of military industrial security shall:

"...
2.) Provide that no such military department or armed forces shall adopt or enter into any industrial security agreement or provision with or applicable to Government contractors until such agreement or provision has been approved by the Secretary of Defense: . . ."

It is realized that this language of necessity follows the Commission's recommended language of section 50 of the proposed Federal Security Act. This section reads to the effect that no contract shall

(Continued on page 18)



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G. P. KAVANAUGH (Continued)

be executed by any executive agency with any Government contractor for the procurement of goods or services involving access by contractor's representatives to classified information or to any security facility unless such contractor enters into an appropriate security agreement in writing under which that contractor is obligated—

"1.) To withhold from any individual access to information and security facilities of any classification unless that individual holds a security clearance for access to information and security facilities of that classification; and

2.) To incorporate within any contract executed with any subcontractor for the procurement of goods or services required for the performance of the contract with that agency, such security provisions as may be prescribed in the security agreement executed with such executive agency."

As to the need for a security agreement, we repeat only what has been so clearly stated in the American Society for Industrial Security report to the Commission:

"The Security Agreement (DD Form 441) is legally objectionable since it binds the contractor to all future unilateral revisions of the Department of Defense Industrial Security Manual for Safeguarding Classified Information. The unilateral aspects of this arrangement are immediately offensive and create much concern within industry."

The preservation of the contract arrangement weakens and will sap the strength from the fine legislative suggestions of the Commission. This is so because in common parlance the word "agreement" means just that—two or more parties agreeing. If the security agreement is to be a unilateral contract, and it must be if the Department of Defense is to "establish and administer" a military Industrial Security Program, it would be better for all concerned to require simply that the contractor execute a statement of acceptance. Such a statement would be a condition precedent to any contract with any

executive agency for goods or services. Thus there would be no false hope of negotiating as commonly understood and the contractor would either "accept" the Department of Defense Industrial Security Program as established and administered under law or not, depending on his need for Department of Defense business.

Further, industrial security should not be limited exclusively to its military aspects. There are many areas of industrial security outside of the military in which industrial security is and will continue to be a necessity. Military industrial security, if limited solely to securing the country's capacity for waging offensive or defensive war, is too narrow. There are industrial security aspects involved in civilian defense, exportation of technical information, etc. Industrial security, as defined by the Department of Defense in the Armed Forces Industrial Security Regulations of May, 1955, refers only to "that portion of internal security which is concerned with the protection of classified information in the hands of United States industry."

Industry's concern is of greater magnitude. It is perhaps best defined by the definition of "internal security" set out in the Armed Forces Industrial Security Regulation as "The prevention of action against United States resources, industries, and institutions; and the protection of life and property in the event of a domestic emergency by the employment of all measures, in peace or war, other than military defense." The mobilization of industry, rehabilitation of facilities, and essential civilian production are equally important. Lest military personnel assigned to the recommended Central Security Office of the Department of Defense be limited exclusively to the military concept of industrial security, clear language is needed. I believe Congress intended to extend the area when it said in Section 1 of Public Law 304, 84th Congress, as amended:

"It is vital to the welfare and

safety of the United States that there be adequate protection of the national security . . ."

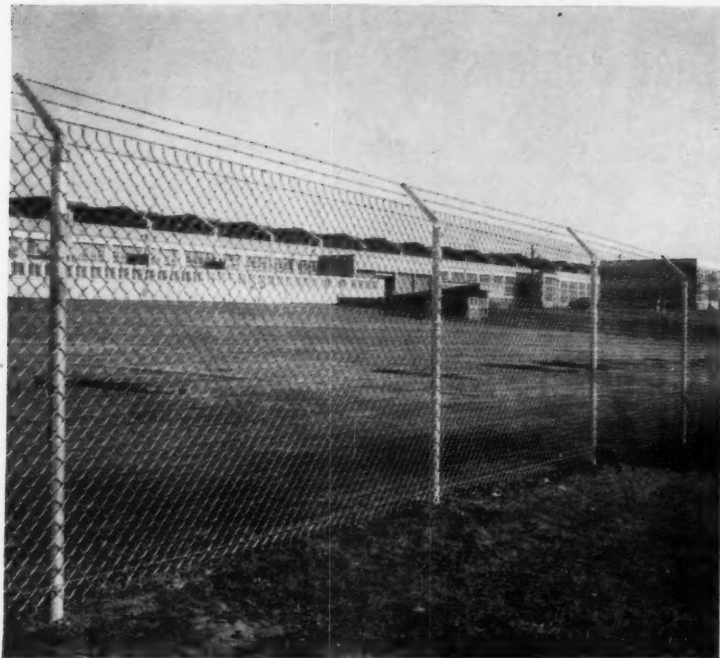
No words of limitation qualify or restrict this Congressional statement to matters of military security.

Finally, it is regrettable that the Commission did not see fit to recommend the adoption of the American Bar Association's proposed Administrative Procedure Act. Like the present one, the proposed act would establish legislative standards and criteria for rule making, orders, adjudications, opinions, licensing, sanctions, and relief by any authority of the Government so charged. In this connection, it is noteworthy that the American Bar Association special committee's final draft (April 13, 1957) of the proposed new code of administrative procedure which preceded the Commission's report by two months would repeal the provisions of the Atomic Energy Act of 1954, the Defense Production Act of 1950, and other federal statutes which preclude the application of the Administrative Procedure Act.

On the whole, the report is thorough, comprehensive, and complete. With deep conviction I believe the Commission's recommended legislative program should be broadened to include industrial security for essential defense industry, and secondly, the abolition of the concept of a Department of Defense Security Agreement. In the opinion of this writer, what is needed is a solid, well-reasoned Industrial Security Program based on specific Congressional legislation laying down justiciable standards and criteria delegating to those primarily charged to the common defense and security of the country the power of implementation through proper rules and sanctions.

There is much to commend the report to students of industrial security. As we know it today, industrial security has developed and expanded considerably since its inception almost a decade and a half ago with the old "secrecy agreement." Certainly no member of the American Society for Industrial Se-

(Continued on page 42)



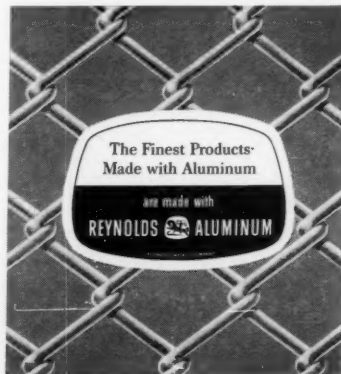
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Fire- Is Your Business

J. M. TRANSUE

Security Director, Philco Corporation

Preventing the next fire is as important to a security program as is the need for protecting classified information, the investigation of personnel, the identification of visitors, and the numerous other facets of what we generally consider as internal security problems.



Security has grown up. It has come of age, and those who are responsible for planning, organization and administration have done much since December 7, 1941. Classified contracts and industry's desire to prevent losses, have expanded security at all levels.

Prior to World War II, security was a seldom used word. It now describes a scientific and orderly procedure for the protection of not only classified matter but, in addition, the important facilities and the personnel engaged in any class of work. While it may still be looked upon as a necessary evil, it has greater stature than the system for protecting the same facilities prior to 1941.

The plant watchman is now a plant guard. He is trained in his duties and renders better service than could be expected in the pre-war days. Government regulations for safeguarding classified information, the steadily mounting losses by fire, theft and industrial accidents, are some of the reasons for a change from the old order to the new security objective.

The Security Officer, whatever his title, has a responsibility for preventing the next of any loss, not the least of which is a loss by FIRE. The strong points of many security programs are directed toward preventing most losses, excepting fire. The fire record for the nation is an indictment of some security policies, and generally the fault is management's. Dividing the responsibility for the several accepted types of security, limiting the authority of the security officer, and decentralization of thinking as well as facilities, have permitted certain weaknesses which have caused some of the biggest and costliest fires at some of the largest and most influential industrial organizations.

A fire can and will occur when something that will burn (fuel), is crossed by, or crosses the path of, something that will cause it to burn (ignition), provided oxygen in sufficient amount to support combustion is also present. To prevent that fire, the fuel and means of ignition must be kept separate and safely apart so their paths may not cross. PREVENTION is most important. CONTROL and EXTINGUISHMENT are incidental to and neces-

sary only when PREVENTION has been bypassed. The essential plan to accomplish all three parts centers around a program of ENGINEERING, EDUCATION and ENFORCEMENT, with education the most important.

We are better able to fight fire than to prevent fire. Modern equipment, expertly trained personnel, new techniques and methods employed by industry and municipalities, have reduced the potential of loss when a fire occurs, but rarely contribute to preventing the fire in the first place. The causes of fire are many, but in the final analysis, each fire is caused. It did not happen.

It is possible that industry is stressing PREVENTION too little and EXTINGUISHMENT too much. Level the interest and there will be less extinguishing required.

Several years ago, possibly the largest and costliest fire suffered at any single industrial plant made news. It destroyed a building which, according to published reports, could not burn, and contained nothing which would burn. The excess losses would have bankrupted many companies, but fortunately did not disturb the owners, except to examine policies which gave effective protection at some facilities, while at other locations protection against fire was considered unnecessary and an unwarranted cost. While the fire was costly, it had its good side, for the latest reports indicate the decentralized security thinking has been changed by management decision to a strong general plan for PREVENTING the next loss.

Each fire of record tells a story. It is more important to the Security Officer or person in charge if it occurred at home base. A fire occurring on June 26, 1935, was the most important in the career and thinking of the writer. It was caused, and as we determined the causes, we were suddenly aware of basic needs for preventing the next fire. Rules, regulations, policies, and programs in use since that fateful day, were born of a failure to think and plan.

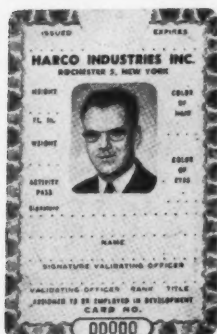
Emphasis is placed on PREVENTION. Education began at home, and has been extended to top management and all others who may by their acts cause the next fire, but to whom we are indebted for a splendid adherence to the corporate policy.

While there are numerous and effective organizations whose efforts are devoted exclusively to Fire Prevention, it is none the less a security matter, and therefore should command the attention of every security officer.

Any possible loss to management, Government or the individual caused by fire is a problem of security.

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LESTON FANEUF (Continued from page 8)

part of the American industrial scene;
that industrial security is a permanent high level administrative function within this defense industry; and

that a new profession is emerging in this country to meet the challenge and the need that industrial management now faces to staff adequately its industrial security departments on a par with its engineering, production, financial departments, its contracts administration, industrial and public relations and other key top level operating units.

Certainly all of us will agree that industrial security has come a long way since those early World War II days of 1941 and 1942 when a tiny industry like the aircraft industry burst wide open overnight.

We madly recruited thousands of workers per week, finger-printed each new hire, and then sent thousands of packing cases of these finger prints to a government warehouse in New York Harbor, where they may still be, for all I know.

We put miles of wire fences around our plants, hung signs on these fences, hired retired policemen and former football players to stand at our plant gates and look at the badges of our incoming employees.

These badges, in essence, meant little, for two reasons:

the employees were hired and on the job before anyone had time to make more than a casual check on each one, and secondly, because the mass production photographic machines we used in those days to take pictures for the badges, produced some weird and wonderful results, but very few good likenesses.

The fact that Mr. Loyd Wright and his Commission on Government Security several months ago submitted its report and its recommendations, which are now being examined by the Executive Branch of our Federal Government and by the Congress, is further evidence of the stature reached and the importance attached to present day industrial security.

We can hope that the Congress will enact into legislation with teeth in it, some of the Commission's more important recommendations which I shall discuss a little later.

What I would like to emphasize here is this: The present status of corporate responsibility now reached by most industrial security departments and the thoughtful recommendations of the Commission on Government Security, are very heartening and encouraging.

But in no sense do they mean that we have reached a plateau of complacency where we can sit back and relax.

Nor can we feel that we are over the hump with the hardest part of the job done and that security now will function smoothly and permanently to the satisfaction of all of us in management—and to the particular glory of industrial security managers and directors.

(Continued on page 24)



Suite 317

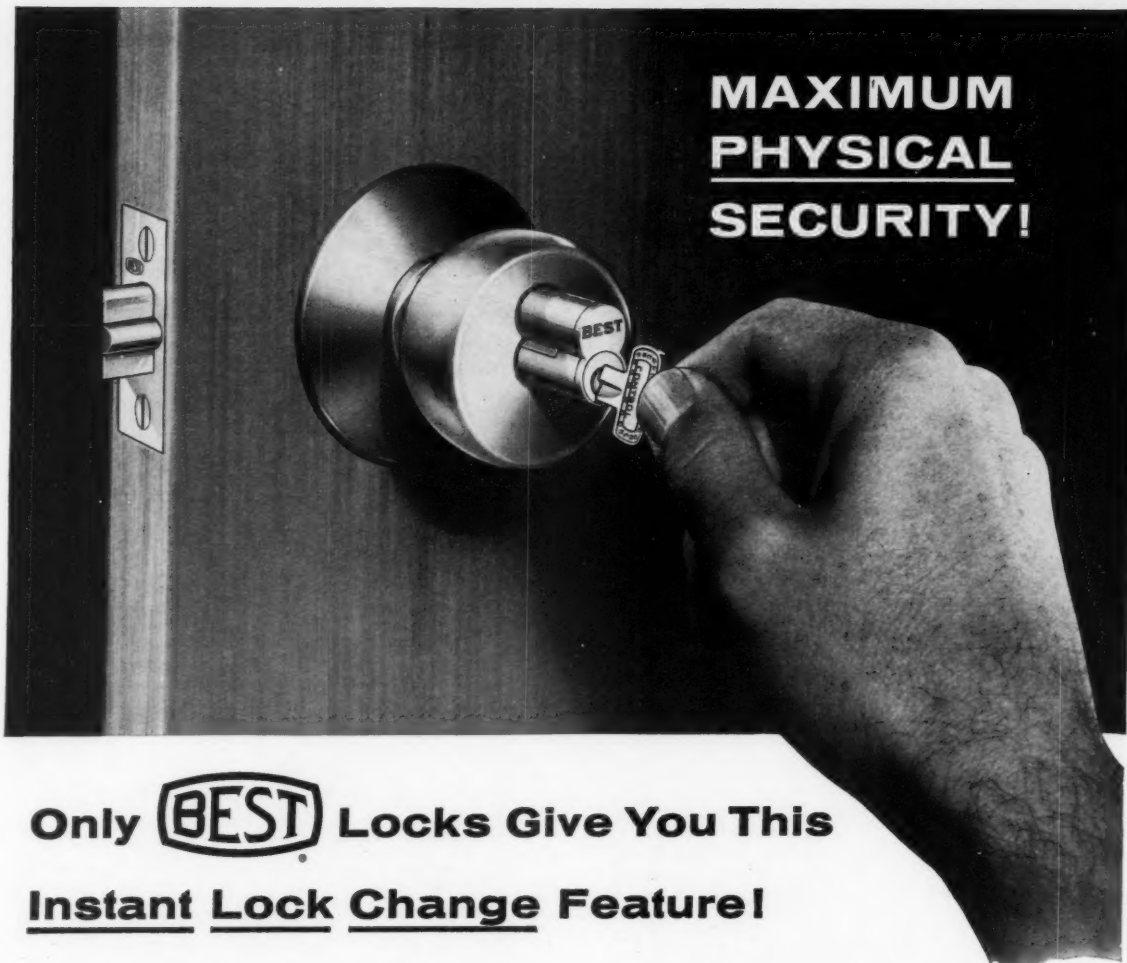
It was very nice meeting so many of the members at the Convention/Seminar with whom I have been corresponding all year but had never had the opportunity to meet. From all reports from the members I talked with, everyone seemed to be well pleased with the turnout and felt that their time and expense were justified. ASIS hopes those members who were unable to attend the 1957 Convention/Seminar will have the opportunity to attend and participate directly in 1958. I personally want to take this opportunity of thanking those members who worked behind the scenes in making the convention a success by helping out in the manual labor department. To mention a few, Frank Stanton, Jim Bledsoe, Dorothea Quinn, Paul Stuber, Paul Cooper, Ray Taggart, Roy Cromwell, Ed Robbins, and Colonel Rubenstein.

I am sorry I have been unable to comply with the numerous requests from members for the application blanks, excerpts from the by-laws, the brochure and Society stationery. Printing of this material has been held up because of annual revisions and final approval. It is recognized that these are urgently required and I fully anticipate their availability in the near future. When available, the secretary of each chapter will be furnished a supply of all material for chapter use. The Regional Vice Presidents and the national officers will also be furnished a supply. I feel this distribution will afford the entire membership the opportunity of having access to ASIS material and conducting all ASIS business on Society letterhead.

I want to thank our new members who have been patient in waiting for their Membership Directory. The Society plans to publish the 1958 directory soon and we hope our estimate of requirements will be sufficient to cover the membership increase for 1958.

Hope you all have a very prosperous New Year and with your continued assistance I know we can make ASIS have a very successful one.

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"Security At Its Best"

Leston Faneuf (Continued)

Perhaps I should lay before you my own pet conception of this important subject:

Industrial Security is only just now beginning to go through the long difficult and frustrating era that two of its allied industrial functions, or if you please professions—public relations and industrial relations—have already gone through or at least upon which they are well embarked, and it is this:

In the past, and even to some extent in the present, too much of top industrial management has complacently taken the position that their public relations problems are solved because they have hired a director of public relations to worry about them, or they have paid a fat fee to a public relations consulting firm to tell them all the right things to do and all the wrong things to avoid and—*ipso facto*, good public relations must inevitably result.

Likewise, too many top industrial managers consider that good industrial and personnel relations are automatically achieved by delegating or relegating to an industrial relations director or personnel manager, with varied degrees of professional training, the responsibility for keeping employees happy and contented, at least during those periods of comparative calm between labor contract negotiations.

You in industrial security are facing identical problems, in my opinion.

Too much top management in this defense industry of ours is assuming that because we have hired you and your associates to write industrial security manuals, to work with your counterparts in the various agencies of Federal Government and the Armed Forces, to check up on us and our executives and employees, to insist that we wear badges and don't write military secrets in personal letters, that we have discharged our industrial security obligations, and any problems or infractions or violations are the responsibility and preferably the fault of our industrial security managers.

As you know far better than I, nothing could be further from the truth. In many ways like public relations and personnel relations, their newly arrived cousin, good Industrial Security, is a matter of frame of mind.

Before we can implement its operating details and expect our hundreds of thousands of defense industry employees to live up to its exacting requirements, we must demand that our top management, our senior executives, our department heads and supervision, pay more than lip service to security and to the theme that President Eisenhower stated in your last magazine, that "*it is vital that our plants and lines of communications be made secure from all potential hazards.*"

And those hazards lie within our own plants and our own people, good Americans though they may

be to the last man, as well as in individuals and organizations outside our plant gates.

Many times I suspect that corporate executives who like to think they are delegating responsibility for functions like industrial security, are, in actual practice, abdicating their own responsibilities.

Industrial security, like good public relations and good personnel relations, is a way of life within each industrial community and . . . responsibility for it rests equally with corporate management, with engineering management, with production management, as well as with management of the Security Department itself.

None of us in industry today can afford to hire enough security people and enough plant guards to enforce our security manuals and security rules and regulations unless the supervision and the executive management in each of our departments and divisions make good industrial security a part of their everyday jobs.

We have finally convinced the machine shop superintendent and foreman that good employee relations, a reasonable minimum of grievances, prompt and fair handling of these grievances, are all just as much a part of the job as turning out parts and assemblies on schedule—parts and assemblies which meet specifications and of the high quality demanded by our customers.

However, and despite the progress we have made in industrial security over the past fifteen years, particularly the orderly and organized progress that we have made over the past six or seven years, there are still a lot of superintendents and foremen in the vast defense industry of America today, who have not been told or trained or convinced that they have the same responsibility for the sound functioning of industrial security within their jurisdictions as they have for their production schedules.

And I don't mean to imply that this dereliction exists only at the foreman and superintendent level. It is, if anything, more pronounced at the department head, the vice presidential and even the presidential level in many of our corporations.

Let me use a small example from another corporate area in our own company to point up what I mean: Because our principal plant and our corporate offices are some twenty miles from downtown Buffalo, I often pick up out-of-town guests at their hotel in the morning and drive them out to the plant with me.

As I enter the door of the plant, reach into the rack for my time card and punch it, I often see a look of open amazement on the part of my guest. This is usually immediately followed by a query: "Do you still punch a time card now that you are President?"

I obviously tell them that they just saw me punch my time card, that I didn't punch it for show or for

(Continued on page 26)



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Leston Faneuf (Continued)

their benefit, that I punch it every time I come into the plant and I do so for two reasons:

(1) Our main plant is under Air Force cognizance and 100% of its work is for the United States Government. That Government has a right to have a record of the time worked of every employee and that includes the President.

(2) More important is this simple proposition: Exemption from punching a time card, like exemption from wearing a security badge, is not a matter of privilege or prestige.

If, for example, we start excusing the president and vice presidents from punching time cards or from wearing their badges, where then do we stop?

I know from our own experience that by the end of World War II some 400 persons in our main plant were not punching time cards, as a result of a gradually widening list of privileged persons.

At that time Larry Bell, the founder of our company, was President, and I had the rather vague non-operating title of Assistant to the President.

In trying to whittle down the list of people exempted from punching their time cards, so that we could keep more accurate records, I had considerable difficulty in persuading some of the senior corporate people that it might be a good idea if they would change their habits and punch their time cards.

When I explained the situation to Larry Bell and asked him if he would mind punching his time card, being the kind of man he was, he not only promptly said yes but proceeded to do so.

From then on, my life was easier in respect to that particular problem and the excuses rapidly dwindled and died away.

Today I attach the same importance to our top people wearing their badges, because to me, to get back to my earlier theme, the executive who is too careless and thoughtless, or too indifferent to wear his badge, or who is downright opposed to it, is an executive who does not have the frame of mind toward industrial security that is a pre-requisite for its sound operation in any company.

And the person who wants a security badge that will allow him wider latitude to travel within restricted areas just because someone else had that type of badge that is considered more privileged, is another person who needs to be re-indoctrinated in the ways of industrial security.

These may seem small things to some of you, but to me it may be the small things that we have perhaps ignored and in corporate life, as well as any walk of life, small things have a habit of becoming big things and big things have a habit of spelling trouble.

Now let's take a look at some of the broader aspects of our National and industrial security.

One of our major operating problems in this con-

nection has been the necessity for us to comply with military regulations and at the same time maintain stable relations with various labor organizations.

Very frankly, I have always been extremely unhappy at a system of governmental regulations which on the one hand told us it was our management responsibility to see that a certain employee did not have access to classified information and on the other hand told us in effect that in order to comply with our union contracts we must continue that man in our employ.

I am still unconvinced that in a plant devoted 100% to military work, including various degrees of classified work, it is virtually impossible to employ someone usefully and take the position he will not have access to classified information.

Some years ago we had the ridiculous situation in our company of a very skilled painter being moved out to the plant incinerator because his painting job involved pieces of classified work and he had been denied access by the Government.

Then, in order to guarantee that he would not pass through or near classified areas on his way to lunch, and even to the washroom, we practically had to have a special guard or a supervisor on the payroll as his travelling companion.

Fortunately, this ridiculous situation came to an end, not because of any Government assistance, but because at the end of a long and difficult strike, a Board of Arbitration ordered the discharge of six subversives, including our ex-painter.

And I firmly believe that we at Bell Aircraft are singularly fortunate that at that same time we negotiated into our major labor contract Article #17, Paragraph 136, which reads:

"The Union recognizes that the Company has certain obligations in its contracts with the Government pertaining to security, and agrees that nothing contained in the contract is intended to place the Company in violation of its security agreement with the Government.

"Therefore, in the event that the United States Air Force or any other Government agency concerned with Bell Aircraft security regulations, advises the Company that any member of any Bell local is restricted from work on or access to classified information or material, the union will not contest any action the Company may reasonably take to comply with its security obligations to the Government."

And Bell management has consistently insisted that a reasonable step for us to take in order to comply with our security obligations under these circumstances, is to discharge the employee. In every case we have made it stick.

Of course, several times, where the access denial rule has been appealed and the original denial has been reversed, we have reinstated the employee, but

in every single case the employee has been reinstated without back pay—and this has been upheld.

Our unions no longer contest our prerogative to fire an employee denied access to classified information, although they do help individual union members with their appeals.

On this same subject, I am afraid I have to take issue with the report of the Commission on Government Security wherein they recommend the abolishing of the classification "confidential" and then recommend that Government regulations need not be changed to permit the discharge of an employee denied access.

I agree wholeheartedly with their recommendation to abolish the "confidential" classification, but I cannot subscribe to the conclusion regarding the individual who is adjudged a poor security risk.

On page 273 of the Commission's Report, the following paragraph appears: "The Commission recommends that the industrial security program which now authorizes the denial to designated individuals of access to classified information within a facility, not be expanded so as to authorize the exclusion of designated individuals from access to any part of a Defense facility."

And then it goes on to say that "especially in view of the Commission's recommendations to abolish the Confidential category, there will be many places in

a plant where one could work without clearance for Secret or Top Secret, if the employer desires to continue the employment."

I for one do not wish to continue the employment of an individual in a defense plant in this country when the United States Government says that it has evidence to support the finding that this person cannot be trusted with information in connection with this defense work.

Because if such a person is allowed to stay on the payroll, national security is certain to be threatened.

I am just as strong a champion as anyone of the sanctity of individual rights within the freedom and liberty we guarantee our people in this country.

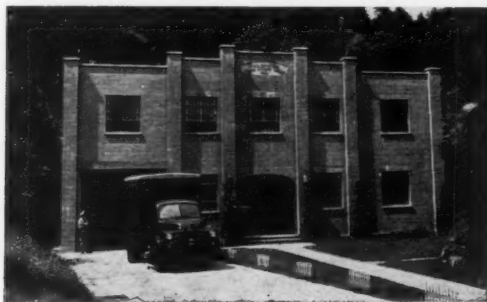
But I say to you, that when a person by his actions or his beliefs has given our Government concrete evidence that he cannot be trusted with the freedoms and liberties that protect our country from its enemies, that person *does not* belong within the gates of any defense plant, whether he cuts grass or shovels snow or runs a milling machine.

Thank God we have a hard and fast clause in our union contract at Bell that lets me practice what I am preaching.

I recommend to all my associates in the defense industry that they exert every effort to insert a similar clause in their own union contracts.

Very likely we in industry will have to do it our-

(Continued on page 28)



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Leston Fanen (Continued)

selves, as I suspect the Congress will take the advice of the Security Commission and not give us legal support for our action in discharging an employee denied access.

Lest this criticism of the Report seems to indicate my opposition to it, I wish to state categorically that I have studied the report carefully. I consider it a monumental work, extraordinarily well done and I have only the highest praise for Mr. Loyd Wright and his associates for their forthright recommendations, based on a great deal of thought and research and effort.

I hope the Congress and the executive branches of the Government will lend their support to the Commission's report and that most of their recommendations will be implemented and activated.

And now just one last thought.

All of us in the country's defense industry, no matter what our own specialized field of operations, must keep in mind that we have but one single goal: the development of technical knowledge and the production of weapons of defense of high quality and at reasonable cost, that will guarantee our ability to defend our way of life.

Let us not get so engrossed in the paper work and the administrative procedures of our own individual security departments that we begin to look on them as ends in themselves, rather than as a carefully integrated part of our over-all national defense objectives.

Security in itself is not the goal. But security in order that we may protect ourselves from our potential enemies and that we may develop technical knowledge and keep it from those enemies while we are building our own weapons of defense, is what we should all keep before us.

The Russians must have perfected a solid security system to coincide with Sputnik. And that is another point I want to make.

A sophisticated security system must go hand in hand with a sophisticated research and development program and the Russians appear to have both.

It is obvious that security in Russia, or any totalitarian state for that matter, is considerably easier to enforce than it is here in America.

Over there, you either toe the line on conformed policy or you become a dead duck or a resident of suburban Siberia, if there is any distinction between the two.

Because of the very nature of a democracy we have a tougher job. But in our zeal to strengthen our position we must be aware of the trap which created the dreaded police state—the Gestapo. John Oakes of the New York Times pointed to this danger:

"The constant confusion of controversy with conspiracy, liberalism with license, dissent with disloyalty has had a stultifying effect on the spirit of free enquiry, free thought and expression."

As I was coming in today I saw the many handsome exhibits which are part of this meeting. These are fine progressive mechanical and physical aids. They're good—they're necessary. A company could spend millions of dollars in acquiring many of these aids.

But this entire investment could be wasted by one thoughtless employee who did not know enough to, or didn't want to, conform. Careless talk, forgetting to lock a desk or file, and of all things, leaving a briefcase in a restaurant—these are the responsibilities of the individual.

And if every mechanical aid in the country worked one hundred per cent, 24 hours a day, it could not compensate for one individual's thoughtlessness.

Management recognizes the importance of getting a plane or a missile or a black box out on time. It recognizes its obligations to the community by being a good neighbor; it supplies good working conditions and sound hospitalization and recreational programs for its employees; it tries to reward the investments of its stockholders with increased earnings; and it must also expend whatever time, effort and money is required to insure a working, sensible industrial security program.

We owe this to ourselves—to our employees, to our community, to our customers, and above all—to our country.

Armed guards alone are not enough. The house that protects us all, the house that security built, has to be sound, well-constructed with a solid foundation. We place uniformed men at our gates. We lock our files. We screen our personnel.

But I know that above all else, the unwavering devotion of you and your associates to what can often be a thankless task, will insure that this house of ours will not be neglected, will not fall into disrepair.

REAR ADMIRAL W. A. SCHOECH (Continued)

mercial concerns and foreign governments. Inspection requirements may make desirable the presence at the plants for certain periods of time representatives of those governments and concerns. This situation, however, cannot be construed as an excuse for violating any provisions of the Espionage Act."

I quote this bit to illustrate the fact that we have been in the security business for some time. It was written in 1928, nearly 30 years ago.

I must tell you about what happened to a friend of mine who does a lot of public speaking. Incidentally, he speaks a great deal about security matters. He also has a maid who is quite active in church affairs, and one evening she came to him beaming with pleasure, and very elated. "Sir," she said, "I used one of your speeches today at the church meeting, and boy, it sure went over big." "You mean you used that speech on industrial security at a church meeting?" "Yes Sir," she replied, "it sure was a hit." "Every place where you said 'the Security Officer,' I just changed to 'the Lord!'"

The principal purpose of the Bureau of Aeronautics is to provide the United States with the materials of Naval and U. S. Marine Corps aviation. Our work involves a fairly large segment of basic aeronautical sciences, the aircraft industry, and the Naval Establishment.

Although the remarks I want to make here are in the context of military aircraft design and procurement, they probably have cross application to all Defense Department materials.

In bringing you a few thoughts about industrial security, let me first make it clear that we have no dream schemes in the Navy as a whole or in BuAer that will solve all your problems by the end of this Seminar. On the contrary, we view the challenge of devising a truly effective security program as a matter of evolution. It takes patience, and it takes foresight and it takes the very conscious application of our best brainpower.

In these days, I don't think that anyone will question the fact that any organization dealing with aeronautics is dealing with one of the most sensitive fields we have. It has been so since Mitchell and Douhet preached their pioneering theses on airpower. But aeronautics as a military science and art is more sensitive than ever before for very obvious reasons. We might keep a little slack in the line if Russia were still flying biplanes rather than Sputniks.

Consequently, we in the military are more aware of the importance of properly protecting what may be our means of survival. The onus has been upon the military commander through the ages to provide for the military security of the forces that are his responsibility. But I doubt that Grant, Washington, Napoleon, Caesar or Alexander ever felt the urgency of that charge as we feel it today.

Well, what is the state of industrial security today as it interests the Navy and the Department of Defense? One of the most encouraging things to note is the fact that seminars like this one are going on. The evolution toward the best possible security under our system is going forward. I see the application of better and more alert talent almost day by day. On the whole, I think that those involved are doing a consistently commendable job in a field that is staggering in its complexities.

But this is not to say that there are no problems yet to be solved, nor more evolving and yet to be solved. Perhaps one of the most harassing things about security is that you never know where you're bleeding. You never know when you've been had until it's too late. What all parties concerned want to do is cut to an absolute minimum the possibility of being had.

In an economy such as ours, we cannot separate the industrial complex from the military complex. There is a full partnership. And it is imperative that we not only enforce security measures together, but that we work them out and devise them together.

In the interest of this, let us look for a moment at what happens when we in the Bureau decide to develop and procure a Naval air weapon system.

As you know, the Bureau receives the go signal from the Chief of Naval Operations in the form of an operational requirement for a particular system. It is then our responsibility to proceed with research, development, find a manufacturer, and procure the equipment. When we reach the contracting stage, whether it be for research, development, or hardware, the Chief of the bureau acts as contracting officer for the Navy. It is then up to him to tell any outside people or concerns involved what the security aspects of the project are, for he is responsible for the security classification and reclassification of all aircraft and related equipment and documents under his control. Such matter must be afforded security protection commensurate with the classification imposed. In this, industry and the military have identical responsibilities.

We therefore, early in the game, are up against the big element in the whole procedure. That is, devising an "intelligence grade" for the project which will be proper and adequate for its lifetime. In the interests of economy and without impairing the national security, our policy in the Bureau of Aeronautics is to classify only such matter which must be protected, to downgrade or declassify as soon as feasible, and to require the marking of reclassified matter as expeditiously as possible.

We have learned that the worst thing we can do is to clamp an over-all project classification on it that is inflexible and binding to the bitter end. (That's how we end up with a secret stamp on such things as requisitions for pencils and manufacturer's trade-marks.)

No, we can't stamp the package and pay no attention to the content.

We want to look into the content and by analysis, study, and with a healthy shot of common sense determine what really needs to be protected and what does not.

To illustrate the practicality of this approach in terms of dollars and cents, take one of the new Navy airplanes. Elaborate precautions may be taken, costing many thousands of dollars, to prevent pictures of it being taken. Special buildings may have to be erected, or the airplane transported to secluded or secure places in the country, all of which costs both Uncle Sam and the contractor. It is possible that such extended effort might be unnecessary, *IF* analysis and judgment tell us that only one small part of the airplane is sensitive and can be easily covered from view.

I am well aware that such a pinpointing of the things that are to be protected is no easy task. I am also aware that it may be somewhat of a departure

(Continued on next page)

Rear Admiral W. A. Schoech (Continued)

from the blanket use of a checklist which neatly separates the black from the white at first glance, but doesn't fool anybody at the second look.

And I am aware that once the parts of the package are noted in their true security context, we yet have to provide for orderly subsequent phasing relative to time and the state of arts both domestic and foreign. This, of course, ends with the piece being declassified.

In enforcing security regulations concerning BuAer's weapons and related systems, we have revised and simplified our own basic guides. But before we decided what specific types of information we wanted protected, and what factors governed them, we set the over-all objective.

Our objective is both simple and double edged. We aim to protect with great surety those things that require protection; and to eliminate those things which do not require protection, and whose classification is both costly and confusing.

In the matter of aircraft and associated equipment, we have reduced the basic types of information to be protected to three. They are 1) information or items that will divulge information on aircraft performance; 2) information or items that will divulge information or aircraft design features; and 3) information or items that will divulge information or production quantities or techniques.

In applying these basic types of information we want protected to a working security scheme, certain factors must be considered. We feel that we have isolated the criteria that will work and kept it at a minimum.

These working factors are: relation of the information or item to the 1) state of the aeronautics art in this country, 2) to the state of the aeronautics art in foreign countries; and 3) the significance of the information or item relative to its position in time.

We pay our engineers and scientists not only to be proficient within the strict confines of their technical specialty, but also to be ever knowledgeable and able to gauge the security characteristics of the work they are doing. The engineer must know what his project means relative to the types of information, that is, performance, design, or production; he must also know what his project means relative to the states of arts, foreign and domestic; and he must also feed in the factor of time as regards his equipment to better spot in these considerations.

Once the engineer has established a reading on the broad classification of his work, he is required to continuously review all the individual items and information pertaining to his project. This, again, is to protect with great care those types of information for which it has been agreed that protection is mandatory.

But when we are in pretty fair agreement inside the bureau as to what we are after in a security program, and how we shall go about getting it, that is only the beginning.

There immediately arises the very great task of getting this across to our partners in industry in a way that is both understandable and workable. To do this we have written and published a BuAer Classification Guide expressly for the purpose of aiding contractors in maintaining proper classifications within their projects at all times.

I think that a great step toward acceptable communications in security is the realization and the unmistakable understanding that our present legal guides merely define the character and the form of the system we must have. It is up to us, all of us, to work out the details, to breathe life and common sense into the form. This, admittedly, is no easy job. It requires the energetic application of the finest of judgments.

It requires that the military agency take the time, the talent, and the initiative to sit down with manufacturers and discuss its thinking, advance planning, and security philosophies. Further, the military agency must continue to solicit advice, assistance and concurrence until working agreement is reached.

We do much the same thing with the aircraft manufacturers when we are planning for the aircraft and guided missiles we will eventually buy. We are doing it to work out the refinement and evolution of our industrial security program.

We will give industry the best possible guidance as to what specific information and equipment must be protected. It will then be up to them to protect *that* information and *that* equipment *where* and *when* it appears, and not necessarily the thousand and one informations and equipment related to it.

Incidentally, I should like briefly to mention here a continuing problem of major concern to both industry and the Department of Defense. It pertains to security as related to information which can or should be released for unclassified publication.

Hardly a day passes in the Bureau that we are not asked by a contractor to approve for release advertisements or feature stories about his product.

Too frequently the first submissions of such manuscripts include information which has not been released for publication previously.

From the contractor's viewpoint alone, the releases have great publicity and advertising value; but from the broader viewpoint of national security, the same releases may give a potential enemy working knowledge in one of the types of information I have mentioned—performance, design detail or production.

We believe that close attention to the guide lines we have established will permit the contractor to prepare his advertising copy and releases in such a manner as to allow immediate release.

In closing, I would like to pay tribute to the industrial and service organizations represented here. The potential for service to our country here today

is hard to overestimate. Yours is a truly tough assignment for many reasons.

Not the least of these reasons is the sheer magnitude of the areas you must protect. There is also a most ungodly propensity for espionage among our enemies. There is also the plain fact that any security program must operate in an attitude prone to attack. It is always in the middle of an ideological tug of war between the principles which hold our government together on the one hand and the rights of the individual on the other hand. Security sometimes runs aground against freedom of opinion and freedom of the press. As an engineer, I can readily appreciate the fact that security appears to go against the requirements and spirit of free scientific development. Yet, we must appreciate the need of proper security measures to protect an advantage—technical, scientific or otherwise—which we might have over a potential enemy. For such an advantage might well prove the difference between national security and national calamity.

Several years ago a rather high level board was appointed here in Washington to look into the supposed conflict between national security and the freedom of the individual. I don't believe the board ever turned in a formal report and perhaps never convened in toto. It is my understanding that after only a fair amount of mature consideration it was concluded rather obviously that individual freedom

cannot be guaranteed unless we first have national security.

But this truism does not give unlimited license to those of us engaged in developing and administering our industrial security programs. On the one hand, let's particularly avoid skating too close to the security line just to advertise our own military service, our own company or even our own country. On the other hand, let's avoid restrictive rules and regulations that are obsolete or unworkable in their application.

And on the positive side, let's throw in a good measure of old fashioned patriotism.

STEPHEN S. JACKSON (*Continued from page 9*)

are maintaining a huge military establishment at an annual cost of \$38 billion. We have mutual security agreements with some 40 other free nations. We are the unquestioned leaders of the non-Communist world, and much depends upon the quality and effectiveness of the defense forces which bolster our leadership.

The very nature of the defense program itself, its magnitude and complexity, rules out easy decisions. The development of sound and realistic security programs requires the most exacting judgment, based on thorough awareness of many intricate factors.

DEFENSE POLICY

Certain basic considerations govern our national

(*Continued on next page*)

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Stephen S. Jackson (Continued)

military policy. I will touch on them briefly at this time.

First, we recognize that the threat to our security is complex and of continuing duration. We see no single critical "Danger Date" and no single form of aggression against which we can design our defense planning.

This requires that our Armed Forces be geared to long-range objectives and that the strength necessary to counter aggression be developed with a relatively stable framework over an indefinite period. It also means that we must retain sufficient flexibility to meet any exigency. Sole reliance on a single strategy or weapon is likely to weaken rather than strengthen the security of the United States.

Second, true security of our country must be founded on a strong and expanding economy, readily convertible to the tasks of war. The continued economic strength of the United States is as essential for the preservation of world peace as adequate military strength. To amass military power without regard to our economic capacity would be to defend ourselves against one kind of disaster by inviting another. The current defense programs are fashioned to avoid both dangers.

Third, we recognize the constantly increasing influence of science upon the character and conduct of war and, therefore, base our security upon military formations which make maximum use of technological advances and thereby minimize numbers in men.

No longer can we measure the strength of a country by the number of men under arms. Today the power, the effectiveness, the capability of defense forces is determined by the weapons at their disposal, and the rapidity of change is such that the weapons of today might be outmoded tomorrow.

It follows that the maintenance of adequate defense means constant modernization—and, with it, a constant re-evaluation of the organization of our Armed Forces in the light of new requirements.

CURRENT SITUATION

In this context, a brief comment is appropriate on recent and current developments which have had both material and psychological effect throughout the world.

In the minds of some, the time has come to push the "Panic Button" and rush for the exits. Various self-appointed experts have appeared on the scene to warn that unless we adopt their theories, all is lost. Some whose emotions run in circles almost as impressive as the orbit of Sputnik itself, have come to the conclusion that the United States and its allies have lost what they term "The World Race For Scientific And Technological Supremacy."

I think no one would deny the implications which are to be found in the latest Soviet developments.

They unquestionably constitute achievements of a major dimension, and they pose continued problems and grave choices which must be made. They suggest, certainly, the slightest complacency on our part cannot be tolerated any more than the assumption that we are somehow innately superior to others in our workings with science.

From this recognition, however, it does not follow that fear should replace courage, that alarm should take the place of quiet judgment, or that a proper estimate of our strengths is no longer valid.

In my estimation the President has rightly sounded a note of encouragement within recent days. He has pointed to the fact that, viewed in its entirety, the strength of the Free World is still predominate and that nothing has yet occurred to alter this fact.

Viewed in an over-all perspective, it seems to me to make a great deal more sense to speak in terms of our strength rather than of our weakness, and to discount those extremist estimates which seem to take satisfaction in proclaiming the imminent arrival of disaster. We have our share of serious problems, which we should not minimize for an instant. But we can overcome these problems, and we shall do so within the framework of a sound defense effort which refuses either expediency or disregard of the actual situation which exists.

SECURITY PROBLEM

Related to this over-all picture, of course, are the security programs essential to, and an integral part of, military operations. Let's look at this, briefly, from the standpoint of numbers alone.

We have approximately 2.6 million people in the active Armed Forces, 2.5 million in the Ready Reserve, plus 1.2 million civilian employees. These total better than 6 million. Add to this the 22,000 contractor facilities cleared for classified defense work, plus the 3 million industrial workers who have security clearances, and you have a total of nearly 10,000,000 people.

The procedures necessary to safeguard Classified Information within the Department of Defense itself are an operation of great size and complexity. The Army, Navy, and Air Force with military units all over the world, all of which receive and handle Classified Information, require a system which probably has to be as efficient as any administrative system found in any business operation.

This security system alone requires the expenditure of great sums of money and effort to protect information generated, handled, and disseminated throughout the Armed Forces on a worldwide basis. I am sure that most of you are familiar with the system in effect.

To give you an idea of the volume during the calendar year 1956, there were close to 700,000 investigations conducted for clearance purposes by the investigative agencies of the Department of Defense. About 25% of these were related to the Industrial Security Program.

The cost of these investigations to the Department of Defense was an impressive sum—approximately \$30 million. You can see from these figures the magnitude of the clearance problem in the Department of Defense. When we consider the number of investigative personnel required, their training, and the administration and supervision necessary to carry out this enormous program, we can better appreciate the problem.

Certainly, you members of the Society, because of your background and experience, are cognizant of the tremendous effort in manpower, time, and money required to accomplish these investigations. And this I believe is an opportune time to give credit to the men of the investigative agencies of the Armed Forces who shoulder this heavy burden. I mean specifically the personnel of the Counter Intelligence Corps of the Army, the Office of Naval Intelligence, and the Office of Special Investigations of the Air Force. They do an enormously difficult job, and they do it well.

OTHER ASPECTS

Another factor which complicates the problem is the large turnover in military personnel. For example, 36% of today's active military forces have had less than 2 years' service: 59% have had less than 4 years. While these figures actually represent some improvement over the past year, we consider them indicative of an upside-down personnel structure.

These losses make it necessary to rebuild large segments of our active forces each year, requiring hundreds of thousands of investigations of military personnel for sensitive duty assignments. This in turn has an effect on the investigation and clearance program for industrial security purposes, facilities clearance, and clearance of individuals.

With these factors in mind, let us look at the physical security program of the Department of Defense—

There are over five thousand military installations around the globe. Of these one thousand are major installations. On these are buildings and military equipment ranging from mammoth aircraft that sweep the skies at supersonic speeds, gigantic carriers that plow the surface of the seas, and modern submarines that silently plumb the depths below the surface of the sea, to a great variety of land vehicles to the myriad of modern technological devices in weaponry that mark the Atomic Age. In terms of property, the assets of the Department of Defense have cost the Government about \$160 billion, or more than twice the assets of the 100 largest manufacturing corporations in the United States.

The one single factor which makes efficient operation of the department's security programs so difficult is the magnitude of the Department of Defense itself—millions of people, thousands of facilities, the wide variety of materiel needed by our Armed Forces.

Another important factor directly involved in secu-

rity is the United States participation in NATO, SEATO, and the Baghdad Pact Treaty Organization. In addition to these multi-lateral agreements, the United States has also entered into bi-lateral agreements for the exchange of military information with certain allied nations. This pattern of multi-lateral and bi-lateral defense military agreements is of great advantage to the United States.

These agreements must operate effectively, and because security is an important element, it is necessary that the security system of the nations concerned be such that proper exchange of information under the agreements will not be hampered. As it becomes necessary to equip our Allies with certain weapons, it also becomes necessary for them to protect the information we give them. Likewise, when we receive information from them we must protect it as we agreed. This gives rise to a number of security problems involving the preparation of classified technical manuals, the training of personnel, and the exchanging of classified research and design information among the nations of the free world.

These international agreements and commitments require the development of security systems by the United States and its Allies designed to exchange classified information essential to joint military operations. Our worldwide defense structure, integrated with our Allies, means that we can no longer operate on a unilateral security system unless we first take into account what the impact would be with respect to our Allies. For instance—when the United States eliminated "Restricted" as a classification category, it was necessary to work out an alternate method acceptable to our Allies. I am sure you are familiar with the classification category "Confidential-Modified Handling Authorized."

INDUSTRIAL SECURITY

How does all this affect Industrial Security? How does this affect you in doing your job?

You are primarily concerned with the security of your company's plants. You must see to it that the classified information in your plant is adequately protected in conformity with Department of Defense regulations, or, if not on classified work, that the company's property is protected in accord with the policies of your own company.

Much of what you are responsible for depends upon what happens in the Department of Defense, for example, the investigation and clearance of personnel for Top Secret and Secret access—there are complaints that the investigative processes are slow, that there is duplication of investigation and clearance and in administrative functions.

Some of these criticisms are justified. I have within the week talked with our Director of the Office of Security Policy, Mr. A. Tyler Port, regarding some of these very problems of duplication and administrative

(Continued on next page)

complexity and he has definite plans which should result in considerable improvement of many of the mechanical and administrative features. On the other hand, there are areas where no compromise with thoroughness and fairness can be made, even in the interest of saving time.

This is extremely serious business in which we are engaged. Industrial Security is, as your President pointed out in a recent statement, truly the lifeguard of the nation. President Eisenhower has publicly stated as follows: "The program for industrial defense may constitute the most valuable investment you can make toward assuring our survival as a free nation." We seek your advice. We lean heavily on your loyalty and proficiency. In this respect we are deeply obligated to our Industry Advisory Committee, which has rendered outstanding service in the development of industrial security policies and procedures. We look also for continuing advice and suggestions from organizations such as yours.

Gentlemen, I have tried to give you in this brief time the significant highlights of the manpower and security programs of the Department of Defense. Of prime importance in this over-all program is that of industrial security. One of the most important contributions to this program must continue to come from people such as yourselves who are the key security officials in industry. This is essential if we are to maintain the stability and effectiveness of this important program.

You, gentlemen, and hundreds of others engaged in plants throughout the country are indispensable to the success of the program. Although you are outside of the Government, you are just as much a part of the team as the people in the Pentagon or as those who wear the uniform of the Armed Forces of the United States.

We are partners sharing an awesome responsibility, involving as it does in a major degree the preservation of the peace and the defense, not only of our own country, but of the free world. For this patriotic service, the Nation and the Department of Defense, in particular, is most grateful.

LOYD WRIGHT (Continued from page 9)

of our citizens appear to be more interested in what the Constitution permits them to get away with than in their responsibilities for the security of one hundred and seventy million fellow citizens and for the preservation of America. Some seem to think that in the security field the Government is aligned on one side and the people as a whole on the other. In these unhappy days of precarious peace and ideological war, national security is the concern of every responsible citizen. I welcome this opportunity to meet with a group that has demonstrated so ably and convincingly this sense of responsibility, and its realistic awareness of the paramount problem of our time, and I particularly am gratified to meet again with so many of

you with whom it was my honor and privilege to work in the labors of the Commission. I am happy too to meet so many old friends, among them your loyal and my loyal friend and splendid citizen, Stan Tracy. May I be privileged to say here that in the studies I conducted the work of the Security Officers, both in industry and in Government, stood out in bold relief for their accomplishment and devotion to duty, all too often denied what would appear to be necessary tools of their trade and constantly frustrated by ideological decisions.

As most of you know, for the greater part of the past two years I have been privileged to work on the Commission on Government Security. Our task is now complete. The final report of the Commission has been submitted to the President and the Congress, our staff has been disbanded, and our offices are closed. But our work was only the first step in the job to be done. In the coming session of Congress, far-reaching decisions will be made concerning the effort to assure that this nation, and the free world dependent upon it, shall endure. In the last analysis, the final authority rests with the American people, and in an informed and responsible public opinion. In the approaching consideration of the security programs, this society can make a signal contribution to the welfare of the nation. With your expert knowledge of the problems of security and the difficulties of putting principle into practice, you stand in a unique position. No group outside Government shares your knowledge. The voice of your collective judgment will command attention and respect in the forum of public opinion. Your views will be heard and heeded in the legislative halls. Because of the special responsibility you bear in the endeavor to establish a sound and workable system for protecting the nation, I consider it a privilege indeed to discuss with you the recommendations of the Commission.

A few words concerning the origin and work of the Commission may provide a useful background for the evaluation of our proposals. In recent years, criticism of the existing loyalty-security programs has become widespread. On one side are ranged those who find the system to be inexcusably weak, leaving the nation dangerously vulnerable to the forces of subversion. On the other side is the opinion that the prevailing practices are unduly harsh, unnecessarily invading the fundamental rights of the individual, and raising the spectre of the police state. The conflicting views were fully aired before the Subcommittee on Reorganization of the Senate Committee on Government Operations in extensive hearings held in 1955. On the basis of the report of these hearings, an Act creating the Commission on Government Security was passed unanimously by both Houses of Congress.

The responsibilities vested in the Commission by this Act were broad and comprehensive. The mandate included the duty to "study and investigate the

entire Government Security Program, including the various statutes, Presidential orders, and administrative regulations and directives under which the Government seeks to protect the national security," and to examine their administration and operation. The Commission was enjoined to recommend changes necessary to achieve the declared congressional policy calling for a careful, consistent, and efficiently administered program that will protect the national security and preserve basic American rights.

In the interests of balance between the expert knowledge of Government officials who had lived with the problems of security and the fresh point of view of the private citizen, the law required that one-half the Commissioners should come from public office and one-half from private life. Appointments were made by the President, the Vice-president, and the Speaker of the House, each selecting four members.

The members of the Commission were finally appointed in November, 1955. My fellow Commissioners from the Senate were Senator John Stennis of Mississippi, who served as our Vice-chairman, and Senator Norris Cotton of New Hampshire. From the House of Representatives came Congressman William M. McCulloch of Ohio and Congressman Francis E. Walter of Pennsylvania. Two officials from the Executive Branch of the Federal Government were selected to serve: Under Secretary Louis S. Roths-

child of the Department of Commerce and Commissioner F. Moran McConihe of the Public Buildings Service, General Services Administration, who replaced former Assistant Secretary of Defense Carter L. Burgess when he resigned to accept the presidency of Trans World Airlines. From outside the Federal establishment came two pre-eminent educators, Chancellor Franklin D. Murphy of the University of Kansas and Dr. Susan B. Riley, Professor of English at George Peabody College for Teachers in Nashville and former president of the American Association of University Women. Former United States Attorney General James P. McGranery, Governor Edwin L. Mechem of New Mexico, and James L. Noel, a practicing lawyer from Houston, Texas, completed the membership of the Commission.

The work of the Commission was carried on with the assistance of an able and dedicated staff of approximately eighty men and women, including trained investigators, former federal employees, lawyers, educators, newspapermen and businessmen, who bore the burden of obtaining, compiling, and analyzing the information considered by the Commissioners. For what we believe is the first time, a creature of the legislative branch was given direct access to the classified documents and files of all departments and agencies of the executive branch. An immense vol-

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ELECTRONIC SAFEGUARDS FOR INDUSTRY

Lloyd Wright (Continued)

ume of factual data, opinion, and suggestions was gathered. Detailed questionnaires were submitted and lengthy interviews were conducted with responsible officers throughout Government. Thousands of letters were written to private citizens and to labor, industrial, and public service groups having a special interest in the federal security programs, soliciting information and views. Notable among the responses we received was the comprehensive report submitted by this organization. From it we obtained invaluable help in our consideration of the industrial security programs, and many of your suggestions are embodied in the recommendations of our final report.

Although no public hearings were held, a number of witnesses appeared privately before the Commission to offer advice and to answer questions. Hundreds of persons in and out of Government who could contribute knowledge and suggestions were consulted by members of the staff. Uncounted private citizens gave freely of their time and knowledge to aid in our endeavor.

As our work progressed to the state of tentative recommendations, we recognized the immense benefits we could derive from the views of a body of citizens who had attained distinction in their varied fields, and who were experienced in many of the problems that confronted the Commission. Invitations were accordingly extended to a group of prominent educators, industrialists, clergymen, scientists, newspapermen, state officials, attorneys, jurists, and representatives from both labor and management to serve as members of a Citizens Advisory Committee to the Commission. One of the outstanding members of this group was your own Paul Hansen, and I can think of no better opportunity than this to acknowledge our profound debt for his generous co-operation and wise counsel. A joint meeting of this thirty-member committee with the Commission was held for three days here in Washington, supplying fresh viewpoints and contributing to the solution of many complex problems.

The Commission's final report, submitted in June of this year, is comprehensive. Despite our efforts to condense, the printed version runs to some 800 pages. It encompasses ten security programs, with detailed analysis and complete recommendations for each. Objective consideration of the nation's security efforts has been hampered in the past by the lack of a sound factual foundation for discussion. Inadequate information has fostered misunderstanding and suspicion. The report's full description of the development, the basis and the current operation of each of the existing systems may serve to provide a starting point for future criticism and change if all the recommendations should come to nothing.

To make our proposed program clear and concrete, we prepared and submitted suggested drafts of

the legislation and executive orders necessary to effectuate the recommended improvements. We were gratified when, shortly after the report was rendered, a number of Congressmen saw fit to sponsor the bills we recommended and to urge their prompt enactment. Although the session was adjourned too soon for the full consideration and lengthy hearings which the proposals will require, we are assured that they will be taken up as one of the first orders of business when Congress re-convenes in January.

The basic law suggested by the Commission is a Federal Security Act of some 106 sections, to be supplemented by four other Acts and several Executive Orders and Directives. It would be futile for me to try to describe all that we have recommended. I will, therefore, confine my remarks to one of the most important of the programs, and the subject of your special interest, the Industrial Security Program. A brief sketch of our recommendations in the field will illustrate the general philosophy that guided our work and the basic principles that carry over to other programs as well.

Today there are few to deny the need for protecting the nation's secret weapons from espionage and sabotage. Technological developments in the arts of destruction have made the preservation of peace depend in major part upon a margin of superiority or a degree of doubt in the techniques of modern war. Dangers that once were months away today are minutes away. In this hour, the nation must heed those unhappy chapters in history marked not only by the acts of foreign agents but by betrayal by our fellow citizens as well. The daily newspapers reveal with unmistakable clarity that there has been no relenting in the campaign of subversion, and that the conspiracy of International Communism still directs its weapons of deception and intrigue toward the weak links in the chain of American security. Our defensive strength depends upon the efficiency, the technical skill, and the productive power of private industry. Vital information, which must necessarily be entrusted to defense industries, can be kept from enemy hands only through a realistic and effective security system, as free from error as human institutions can be made.

Thoughtful persons, familiar with the prevailing program, have consistently pointed out as a major defect its cumbersome and inefficient machinery. Trammelled by red tape and weighted down by a complex administrative superstructure, the current industrial security system too often operates slowly and wastefully. A large portion of the program falls within the jurisdiction of the Department of Defense, and despite commendable improvement in recent years, shortcomings I firmly believe still remain. For example, a company which enters into contracts with two of the branches of the Armed Forces may be required to supply duplicate personnel security questionnaires. Employees may be subjected to repeated investigations and adjudications. Varying interpreta-

tions of regulations and diverse directives often create uncertainty and confusion. Lines of responsibility are not clear, and unnecessary delay is often entailed. It often appears that the Army, Navy, and Air Force are operating not under one program but under three entirely separate and distinct systems.

The Commission has sought to remedy the situation by proposing a single responsible authority for the security aspects of all procurement contracts under the jurisdiction of the Department of Defense. We were aware, of course, that unification of the Armed Forces has been advanced as the cure-all for many ills, and not always with unqualified success. But any degree of uniformity in this field should yield a full return in savings both to the Government and the Contractor. The undivided responsibility, under the Commission's recommendation, would be vested in an Office of Security to be established in the Office of the Secretary of Defense. The new office would operate directly through Defense, and the three military departments would be relieved of responsibility. The officers and personnel presently assigned to industrial security duties in the Departments of the Army, Navy, and Air Force would be transferred to the suggested Office of Security, and all dealings between the Contractor and the Defense Department would be conducted directly through this office.

The Atomic Energy Commission, the Department of Commerce, the National Science Foundation, and several other Departments and Agencies also operate industrial security programs. Although under the Commission's recommendations all would have a common statutory basis, they would be administered independently at the operating level. To coordinate these activities with those of the Department of Defense, and with the other Government Security Programs such as the Federal Civilian Employees Program, the Commission recommends the creation of a Central Security Office, an independent, non-political agency in the executive branch.

I think the members of the Commission on Government Security need yield to no one in their dislike of adding still another bureau to the pyramid of commissions, boards, agencies, and offices now functioning in the federal establishment. But in the past there have been some seven committees, agencies, and offices endeavoring, on a part-time, incidental basis, to bring some semblance of order and consistency to the total security effort. Even among those coordinators, coordination has been lacking. On a larger scale, the same difficulties that plague the industrial security program within the Department of Defense have impeded the total security program of the Federal Government. Duplication, overlapping responsibility, and inconsistent standards and directives have exacted their toll. We are all familiar, I fear, with the public spectacle of conflicting rulings upon the clearance of the same man between different departments or agencies. The people's confidence in the programs that

protect them has been shaken. To subject the employee to repeated interrogation, investigation, and hearings imposes an unconscionable burden. The proposed Central Security Office would eliminate these drawbacks. Through its operations, clearances would be transferable from one government agency to another, from government employment to private employment under the Industrial Security Program, and generally throughout the whole federal security system.

The Central Security Office would also fill an important need in coordinating the directives and regulations issued under the separate programs. Manuals and contract clauses would be examined for consistency and simplicity. Suggestions and recommendations would be made by the central office, both to the operating agencies and departments and to the President who might embody the proposals in a universal executive order. A much-needed certainty, with renewed public confidence and restored employee morale, should be the result.

Another major function of the proposed Central Security Office would be the holding of hearings under the various security programs, including the industrial. Instead of the three-man board now common, a single hearing examiner would conduct the proceeding. He would be assigned to the case from a register of carefully selected, specially trained, full-time employees of the Central Security Office with no other duties. At present, persons holding responsible, demanding jobs are designated to serve on hearing panels from time to time. But both the interests of the individual and of the nation demand that the critical decision shall not be left to casual, part-time amateur judges. The person whose job and reputation are in jeopardy has a right to be assured of the same standard of training and ability he would expect upon the bench in a court of law. He is entitled to a judge who was chosen for the job, and possesses the qualifications appropriate for it, and not one who was hired to do some other job. The employee deserves the decision of a man who has time for full deliberation, one who need not put the case aside because of the prior claim of other responsibilities.

The Central Security Office would conduct training programs not only for these hearing examiners but for other security personnel as well. In current practice, public officials discharging security responsibilities sometimes have neither the experience nor the competence for the delicate and balanced judgments to be made. The situation prevailing in the industrial security program may be taken as typical. The military personnel assigned to a plant manufacturing secret material often perform security duties only as a sideline, with no special training. Transfers and substitutions prevent the accumulation of needed experience. There is reason to believe that much of the difficulty with the existing program could be obviated

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Loyd Wright (Continued)

simply by raising the abilities of the men responsible to the level prevailing in private industry.

In the interests of fairness and uniformity, our Commission report also calls for a Central Review Board, to be established within the proposed Central Security Office, to hear appeals, upon the employee's request, after the hearing conducted by the single examiner. The Review Board would consider the cases on the basis of the written record of the proceeding below, from all branches of the security system involving employment with the Government or in private industry. It would accordingly replace the Review Board now maintained in the Department of Defense. The decision at either stage would be only advisory, and could be accepted or rejected by the head of the Department or Agency. Thus, for the Defense Department programs, the Secretary of Defense would remain free to overrule the decision of the Hearing Examiner or the Review Board. As the man who must answer for the way his office is run and for the protection of secret information committed to his charge, the agency head, we believed, must be vested with the final authority to hire and fire.

The hearing procedures now in effect in the industrial security program would undergo considerable change under the Commission's recommendations. In the first place, private contractors would be relieved of the burden of carrying an employee, hired for specific work on restricted duties, on the payroll pending his clearance. Upon certification from the company that the man will be employed if he is cleared, a ruling upon clearance may be obtained before hiring. Whether the person involved presently holds a job or is only an applicant, he would be entitled to a fair hearing upon definite charges and specific evidence. Because adjudication of disloyalty carries grave consequences, both economic and social, the greatest possible care must be taken to avoid error or mischance on such questions. If charges reflect adversely on the employee's loyalty, the Commission has recommended that the individual be given a general right to confront the witnesses against him, qualified only by the demands of national security for the case of the regularly established confidential informant, employed in intelligence work by an investigating agency which certifies that his identity cannot be revealed. No information supplied by other informants—neighbors, fellow employees, or acquaintances—could be considered unless they appeared to testify, either in person or by deposition, under oath and with full cross-examination. As a corollary to this right, the subpoena power would be conferred, to be exercised for the Government or the individual, and to extend to any person except a certified intelligence agent or an informant who supplied information on the condition that he would not be called to appear. These recommendations, if adopted, would serve at the same time to protect the interests of the nation

and of the employee. By providing a more solid foundation in fact for the decision, the plan would provide for surer identification of security risks, and guard against loss of the services of a valuable employee through mistaken identification or other error.

The requirements of confrontation would not of course apply at the screening stage. Here the existing program would be retained without substantial change. All information obtained would be reported, as at present, and the investigators would be specifically directed to include all information they collect, the good with the bad. Sources would not be discouraged or dried up, since a person requested to supply information would still be empowered to impose a binding condition that he should not be called as a witness.

The standard by which the cases are to be judged would be changed from the present order, which asks whether clearance would be clearly consistent with the interests of the national security, to provide that clearance should be denied or revoked if it is determined, on the basis of all the available information, that access to classified information and materials will endanger the common defense and security. This new standard, similar to that now employed by the Atomic Energy Commission, would make it clear that the employee need not come forward with evidence to establish his reliability in the absence of any specific charge: the burden of proof in the first instance would rest with the Government.

The specific criteria provided to guide the application of the standard are, under the report, reduced in number and clarified. In the opinion of the Commission, any person claiming the privilege of access to classified information bears the obligation of disclosing fully all information at his disposal which might aid in combating subversive influences, and any employee who invoked the privilege against self-incrimination casts grave doubt on his qualifications to occupy a position of trust involving the self-preservation of the nation. Accordingly, a plea of the Fifth Amendment, under the Commission's recommendations, would support a revocation or denial of clearance unless the refusal to answer were adequately explained.

The Industrial Security Program is designed to preserve defense secrets, to guard against the loss or compromise of information vital to the national security. Since the classification of documents and information by Government officials fixed the boundaries of the Industrial Security Program, the proper exercise of the power to classify is essential to a useful, effective program. Unfortunately, the Commission concluded that the rubber stamp of secrecy has been overworked. Particularly, we found that information has been classified as "Confidential" without the remotest justification in reasonable security precautions. The standard laid down in the governing executive order for this category of classification is

so vague that the persons who must decide are left with no meaningful guide. The problem is accentuated by the fact that the power to classify as Confidential is widely diffused into the lower echelons of the Government, and must be exercised by persons who have no real basis for appraising the danger to the national security. By seeking to extend the available means of protection over too great a quantity of information, the Government extends its lines of defense too far and too thin, leaving inadequate safeguards for the Top Secret and Secret information that clearly demands the maximum degree of secrecy. Today, somewhat more than half of all classified information falls into the Confidential category.

In the Industrial Security Program, the huge administrative and investigative burdens of providing adequate protection for *ALL* classified information have led the Government to authorize the Contractor to clear his employees for access to confidential information. The responsibility thus imposed is less than fair for the private companies involved, and less than adequate if the information actually demands secrecy. The Contractor has no nation-wide investigating staff at his command, and the Government files are ordinarily closed to him. For these reasons, the Commission has recommended that the confidential classification be abolished for the future, and that clearances should be dispensed with immediately for contracts involving only Confidential information. The adoption of this proposal should serve to permit the Government to bring to bear all its security capacities and resources upon the Secret and Top Secret information that must be preserved inviolate if the nation is to survive.

In the course of its work, the Commission on Government Security considered the proposal that clearance should be required for access to any installation or plant which would be vital to defense in case of war, even though no classified information could

be obtained and regardless of the existence of any Government contract. This proposal, usually referred to as the Butler Bill, we were forced to reject. In the total warfare of the modern world, practically all productive activity would be vital in time of actual hostility. The scope of such a program would be extremely broad, encompassing not only heavy industry, iron, steel, and munitions, but also automobiles, machine tools, electronics, transportation, public utilities, chemicals, pharmaceuticals, communications, including telephone, radio, television, and newspapers, and food industries as well. The cost of a program sufficient to clear all employees in every such industry would be staggering; the manpower required would be enormous. The management of any careful company may be reasonably expected to take measures to assure that its plant will not be crippled by sabotage. In the event of armed attack, the imminent dangers can be readily identified, and immediate steps can be taken. This is a calculated risk that warrants taking.

There is much more that I should like to discuss with you. The protection of information shared with Allied Nations, as under the proposed exchange of missile data with the NATO Nations, the programs for excluding security risks from critical seaports and international airports and from international sea and air crews, the control of passports and visas—all are vital matters falling within the Commission's mandate, and matters with which we are all concerned.

In closing, may I commend our report to your careful consideration. While we hope for your agreement and support for our recommendations, because we believe them to be sound, we expect and indeed we will welcome constructive criticism as well. Our job will be done if informed and fair-minded citizens like yourselves find our work worthy of full and thoughtful consideration.

RICHARD J. HEALY (Continued from page 12)

slogan imprinted on them, matches with the slogan on them were distributed, and coffee cup coasters made out of blotter paper were placed on all desks.

Security lectures utilizing colored slides were an important part of the campaign, and these set the tone of the program for new employees as well as those already employed. It was found that most employees did not actually understand the reason for security and as a result many regarded it as a necessary evil. This attitude had resulted, in part, because some employees had been exposed to security administrators who commonly implied that security was a subject that could be understood only by those with an expert knowledge gained through years of experience. It was also ascertained that some employees who had worked in other organizations requiring security had never been properly instructed.

They regarded security as a mysterious subject that the average person could not understand. For example, although clearances are an essential part of security, it was learned that many employees who had worked in other industrial organizations and the Government for a good many years did not even understand how clearances were obtained and what information was required before the clearance could be granted.

In order to make the security presentations interesting and in an effort to make each employee feel he had a part in the program, the entire company program was explained, the reasons the company had a security program were presented, the agreement entered into between the company and the Government was briefly explained, and the clearance procedure was discussed so that each employee would un-

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Richard J. Healy (Continued)

derstand security more completely. At each presentation, suggestions for improvement of the program were solicited and the individual responsibility concept was stressed. The employees were told that security was no mystery and that there was no part of the Government or company program that could not be discussed or explained. A great deal of interest was shown by both new and old employees. Comments after the lectures indicated that many had a different feeling towards the problem of security. Others indicated they had been associated with organizations having security for a number of years but for the first time they really understood the need for security. These presentations have been continued with a great deal of success.

The security posters, matches, and coffee cup coasters continue to be used and have been extremely effective in the security education of all employees. The posters are hung in the hallways of all buildings and a new poster is placed on the bulletin boards especially made for them on the first of each month. The posters are designed in the Public Relations office by artists who have had commercial art experience in advertising agencies. The theme of each poster is selected by a security committee and each poster is designed around that theme. An effort is made to have a message on the poster that is concise and brief so it can be easily read and remembered.

The art work for the posters has a "Madison Avenue" touch and a variety of designs have been used to catch the eye. Designs commonly used in security posters such as the patriotic approach, barbed wire, locks, and Uncle Sam are not considered. Instead, the posters have a contemporary art approach and, in fact, one of the posters recently won a nationwide art award given by the Art Directors' Club of New York. The posters must be effective as we are always competing with the interest a scientist has in his work, and through the use of posters he is able to learn our security requirements without effort.

The coffee cup coasters are also important because they are patterned after the poster being displayed. Frequently, these coasters are placed on all desks in our facilities so that in addition to the security message on the posters in the hallways, the same message gets to each employee's desk.

The matches distributed periodically to all employees have only the security slogan imprinted on them, "Security is Your Responsibility." In this way we constantly remind employees of their responsibility for security.

Another security education method utilized is a color and sound, 7-1/2 minute movie written and produced by the company. The movie was designed to be shown to new employees at their initial security indoctrination and was planned around the individual responsibility concept. The theme of the movie is the

desirability of having each employee share the responsibility for security, rather than attempting to have the security organization handle security for them.

A security manual has also been issued to each employee handling classified information. This manual was carefully written to outline the Government and company security requirements, and to give as complete an explanation as possible to each security requirement so that employees would have as much knowledge as possible. On the cover of the manual is the security slogan, "Security is Your Responsibility."

In order to carry out the individual responsibility concept successfully, it was realized that there was a danger that employees coming from other organizations where tight physical controls were in effect might misunderstand the operation of security at Ramo-Wooldridge and might think that security was being de-emphasized and was not important. To combat any incorrect attitude about the importance of security, we decided that disciplinary action should be handled by the line supervisor rather than by security personnel. It had been noted in the past that when security personnel had attempted to take corrective action concerning security problems, they had not been successful because they had no supervisory responsibility over the employee, who, through violation of security requirements or otherwise, had indicated he did not appreciate the importance of security. This, of course, was a part of the individual responsibility philosophy—that supervisors must take the responsibility for the conduct of employees working for them in the security areas as well as in other administrative areas. As a result, it was decided that all security violations were to be referred to the immediate line supervisor, who was required to take corrective action and report back to the security office on the action taken. The security manager was required to review the corrective actions taken to insure they were adequate. If, in the opinion of the security manager, the action taken is not adequate, he is required to discuss the problem with the supervisor and recommend further action.

The system went further than this. If an employee continued to commit violations, the violation report was given to a higher supervisor each time until, on or about the third violation, the division director would come into the act. In most instances we found that this was miraculously effective because the division directors are all extremely busy and they become positively impatient when an individual takes up their time for such a matter as a security violation.

After our program had been in effect about a year, we asked ourselves if it was actually working. In May 1956 a questionnaire was designed and sent to each employee in the company. No names were required of those completing the questionnaire. We asked such questions as, "Do you really believe that

you are individually responsible for security?" and "Are you satisfied with our security program as it is presently being operated?" We not only obtained a better-than-ninety-percent return on this questionnaire, but received ninety-five percent affirmative answers to our questions—all of which indicated the success of our program.

Although physical security is not the basis of this program, it is considered to be important as an aid to the individual employee in assuming his responsibility for security. As a result, the uniformed security personnel are designated as security officers, rather than guards, and are trained to be courteous and service-minded. More is expected of the uniformed security officer at Ramo-Wooldridge than would be demanded at other corporations involved only in manufacturing, where plant protection is the basic problem. For that reason, security officers are carefully selected and the wage-rate has been designed to attract and retain qualified personnel.

The organizational placement of the security units in the company is also considered important. Security units should occupy an important position in the management of the company in order that the security program can be effectively administered. For example, the corporation security manager reports directly to the vice-president of administration and finance, and is only one step removed from the president of the company. He occupies a staff position on the same general level as the industrial relations manager, controller, purchasing and material manager, and other key staff managers. In the line organizations in the company, security representatives are placed organizationally on the same relative level, and report directly to a plant manager, division director, or other top unit supervisors. This organi-

zational concept makes the security administrator a part of the top management team in each unit in the company.

The selection of key administrators for the security system is done with a great deal of care. Because we are constantly dealing with well-educated scientists and engineers in every phase of the operation, we believe our administrators must be equipped with a good formal education. In general, we require a key administrator to have a college degree so that he can deal effectively and on an equal plane with the scientist and engineer. Although law enforcement and investigative experience is generally considered a desirable background for security administrators, we have found that experience of this type is generally not enough to administer our program successfully. We do not object to investigative or law enforcement background, but we prefer that this background be combined with more general administrative experience, because of the inclusion in our program of a strong educational plan and the constant sales approach to security. Our most successful administrators have an aptitude for or have had experience in public relations, education, or sales work. Such experience or aptitude, combined with initiative, creative thinking, ability to solve problems, and a personality that will be accepted by the scientist and engineer, is desirable.

In summary, our security program is based almost entirely on two factors: first, the backing of management so that any corrective action is handled in the supervisory chain, and, second, a strong educational program to impress on each supervisor and each employee the importance of the individual's responsibility for security.

Convention Highlights (Con't)

rather a remarkable accomplishment.

The speeches we heard during our meal functions were, to sum up in one word, great! And I, for one, was impressed by the standing ovations rendered the speakers by those present. Of particular note was the address of Leston Faneuf, President of my old Alma Mater, Bell Aircraft Corporation, who invited our attention to various and sundry items concerning the Industrial Security Program. You will, of course, note this when you read this significant address which has been re-

produced in this issue. Of no less import were the words of Stephen Jackson, Admiral Schoech, and Loyd Wright. These speeches have also been reproduced in this issue for the benefit of all. We were indeed fortunate to hear from these learned people first-hand.

The presiding of Major General Joseph F. Carroll at the banquet was magnificent. It was a pleasure to have him with us again.

It is impossible to single out any particular individual or group to thank for their efforts which insured the success of this meeting. The fine performance of the mem-

bers of the clergy; panelists; speakers; workshop participants; convention committees; guests appearing on the program; and the hotel staff, etc. was appreciated by all of those in attendance. My thanks to all those who contributed their time and talents.

The Board of Directors has decided that the Convention/Seminar next year will be held on September 16 and 17 at the Shoreham Hotel here in Washington, and that we shall meet in Los Angeles in 1959 and in Dallas in 1960. You may as well mark your calendars now. Remember, "You can't afford to miss it!"

G. P. KAVANAUGH (Continued)

curity, who is "worth his salt" should admit to not having read at least so much of the report as pertains to his chosen field. It would seem that those who claim to be concerned about this field must acknowledge their indebtedness to the Commission and the entire staff who worked so diligently to present for the first time a comprehensive, factual report on all phases of the Government's security programs.

Reading the report made it immediately and patently clear that the Commission and its staff has carried out its responsibilities objectively and faithfully. Disagreement there will be. Criticism and differences of opinion are to be expected in a field as broad as that encompassed by the Commission. What has been done, has been done well and as to this there should be no one of a contrary mind.

Is Theft Control Necessary?



This is an actual picture of what one man stole from one plant over a period of years. His actual downfall was occasioned by his being apprehended while leaving the plant with a small jar of oil, valued at 15c, seen in center of picture. The tools which were recovered, pictured above, represent approximately one-third of what he took and are valued at \$10,000.

RESOLUTION CONCERNING REPORT OF COMMISSION ON GOVERNMENT SECURITY

Whereas, Paul Hansen, Chairman of the Board of American Society for Industrial Security, participated as a member of the Citizens Advisory Committee of the Commission on Government Security established by Congress in 1955 to review the various Federal Security Programs; and

Whereas, American Society for Industrial Security is firmly convinced that there is a real and present danger to the Nation from subversion by international communism; and

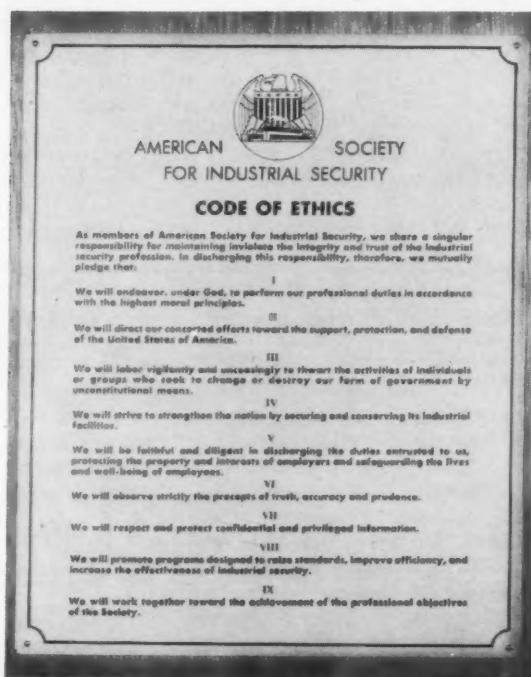
Whereas, American Society for Industrial Security recognizes the need for more realistic and practical controls in the field of industrial security, and
Whereas, the American Society for Industrial Security recognizes the thorough nonpartisan investigation conducted by the Commission in its research into the need for revision of the Government Security Programs;

BE IT THEREFORE RESOLVED by the American Society for Industrial Security at its Third Annual Meeting and Seminar that the President and the Congress give full and continuing consideration to the report submitted by the Commission, particularly with respect to the provisions affecting industrial security; and

BE IT FURTHER RESOLVED, that copies of this Resolution be sent to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives.

APPROVED by the members of the American Society for Industrial Security at their Third Annual Meeting and Seminar at Washington, D. C., October 30, 1957.

ASIS Code Of Ethics Plaques Available



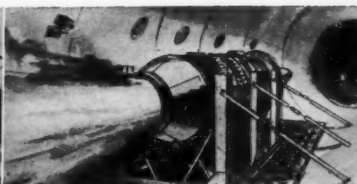
This handsome plaque is now available to members of the Society. It may be purchased directly from the Society's office in Washington. The size of the plaque is 10x12 inches. The metal is gold anodized aluminum mounted on solid mahogany. The price is \$4.00.



MIRACLE IN MINIATURE



Observation and control of amphibious and airborne landings.



Close observation of jet or piston engine test performance.



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Observation of danger areas, where exposure would involve danger to personnel.

Brand new! RCA "Telemite" (model JTV-1) a 1-pound ultra-miniature television camera, makes possible direct observation of sites and events never before accessible by TV

It fits lightly into the hand; it can be carried in a pocket; it weighs about a pound; it will go places too small for ordinary cameras, too dangerous for man; it will observe without being conspicuous; it may be mounted on a tripod, fastened to wall or bulkhead, hand-held by a pistol grip. Size: 1 $\frac{7}{8}$ " x 2 $\frac{3}{4}$ " x 4 $\frac{3}{4}$ ".

By means of a transistorized circuit and the new RCA half-inch Vidicon, the "Telemite" actually surpasses

standard Vidicon-type industrial TV cameras in sensitivity. It produces clear, contrasty pictures with a scene illumination of 10-foot candles or less.

The "Telemite" operates with up to 200 feet of cable between it and the control monitor, and this distance can be further extended by using a repeater amplifier. This is the first TV camera to employ photoelectric sensitivity control, which provides automatic adaptation to widely varying scene illumination.



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